



COUNTY GOVERNMENT OF BUSIA  
P.O. BOX PRIVATE BAG-50400  
BUSIA, KENYA  
COUNTY TREASURY



CG/BSA/FIN/CAB/VOL.2 (18)

26<sup>TH</sup> FEBRUARY 2026

THE CLERK  
BUSIA COUNTY ASSEMBLY



THRO'

COUNTY SECRETARY  
BUSIA COUNTY

*Forwarded  
C.S.  
26/2/2026*

**RE: SUBMISSION OF COUNTY FISCAL STRATEGY PAPER FY 2026-2027 & MEDIUM-TERM EXPENDITURE FRAMEWORK**

Section 117(1) of the Public Finance Management Act, 2012 states that; The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.

Further, according to Section 117 (6) of the Act, not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.

In respect of the above, forwarded herein please find the County Fiscal Strategy Paper for the financial year 2026-2027 & MTEF as approved by the County Executive Committee on 26<sup>th</sup> February, 2026 together with the County Executive Committee Resolutions.

Thanking you in advance.

Yours faithfully,

HON. ANDREW NAKITARI  
COUNTY EXECUTIVE COMMITTEE MEMBER  
COUNTY TREASURY AND ECONOMIC PLANNING

CC: H.E The Governor  
The Commission on Revenue Allocation  
The Controller of Budget



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF BUSIA  
OFFICE OF THE COUNTY SECRETARY AND HEAD  
OF THE COUNTY PUBLIC SERVICE  
P.O. PRIVATE BAG – 50400  
BUSIA, KENYA



## INTERNAL MEMO

**FROM:** THE COUNTY SECRETARY & HEAD OF PUBLIC SERVICE  
**TO:** COUNTY EXECUTIVE COMMITTEE MEMBER, COUNTY TREASURY  
AND ECONOMIC PLANNING  
**REF:**  
**DATE** February 26, 2026  
**SUBJECT:** EXECUTION OF THE RESOLUTION OF THE COUNTY EXECUTIVE  
COMMITTEE

Please find an extract of the Minutes of the 45<sup>th</sup> County Executive Committee meeting held on 26<sup>th</sup> February, 2026 constituting the resolutions for implementation by your Department.

Kindly note to keep the Office of the County Secretary fully apprised of the developments.

With Kind Regards,

CS. John Oscar Juma  
County Secretary & Head of Public Service.  
**COUNTY GOVERNMENT OF BUSIA**

**Copy:**

- H.E. The Governor
- All CECMs
- The Chief Officers, The County Treasury and Economic Planning

## **EXTRACT OF COUNTY EXECUTIVE COMMITTEE (CEC) RESOLUTION**

Extract from Minutes of the 45<sup>th</sup> County Executive Committee Meeting of the County Government of Busia duly convened at the Mount Elgon Tanga Resort, Endebess, Transzoia County at which a proper quorum was present held on 26<sup>th</sup> February, 2026.

### **Minute 5(a)/26/02/2026: Further Consideration of the Cabinet Memo on the Busia County Fiscal Strategy Paper 2026/2027**

The Memorandum, earlier discussed at the 44<sup>th</sup> CEC Meeting held on 17<sup>th</sup> February, 2026 was presented for further deliberation by the County Executive Committee Member for the County Treasury and Economic Planning, Hon Andrew Nakitari.

The County Executive Committee Member sought approval of the County Executive Committee in respect of the County Fiscal Strategy Paper for the Financial year 2026/2027.

Following detailed interrogation and discussions in the 44<sup>th</sup> and 45<sup>th</sup> CEC Meetings, the Cabinet approved the Memorandum and the annexed CFSP with the following amendments:-

- (a) A provision is to be made to the Department of Education and Industrial Skills Development a further sum of Kshs.60,956,434/- to cater strictly for the estimated cost of replacement of exiting staff within the Department.
- (b) The sum of Kshs.600 million allocated collectively for stalled projects, rollovers and pending Bills is to be recognized within departments as a lumpsum figure (rather than as stand-alone items) within the CFSP and will be unbundled during the budget making process.
- (c) The estimated costs of acquisition of a New Revenue Management System at Kshs.60Million is to be domiciled at the ICT Directorate rather than at the County Treasury.
- (d) There was need to accommodate within the next Supplementary Budget the monies to cater for the salary adjustments effected in February 2026 through the HRIS rolled out nationally

by the Central Government. Subsequently, the County needs to budget for the arrears under the 4<sup>th</sup> Cycle of the SRC recommendations.

- (e) The budget ceiling for the Department of Strategic Partnerships, ICT & Digital Economy (SPIDE) be enhanced by Kshs. 60Million in compliance with the PFM Act,2012 and in answer to existing Audit queries.
- (f) The CFSP to provide allocations for operationalization of County Aggregated Industrial Parks (CAIPs) through investment promotion and backward integration through Agricultural Value Chain creation to the tune of Kshs.35M, which money is to be domiciled at the Trade Department.
- (g) The CFSP should make provision for the sum of Kshs. 41.2M to cater for the needs of Women, Youth and other Social Sectors under the Department of Culture.
- (h) A sum of Kshs. 20 Million was to be provided to take care of part of the huge Court Awards requiring settlement by the County. It was further directed that a sum of Kshs. 34Million be provided to settle the pending Claim by Strathmore arising out of the Revenue Management case now at the execution stage.
- (i) The CFSP should also make a provision of Kshs. 60 Million to be applied towards replacement of staff at the Health Department.
- (j) The CFSP to provide the consolidated sum of Kshs. 100M to cater for Gratuity, Performance Management, WIBA and medical Insurance (additional premium).
- (k) The allocation for the Municipalities was to be enhanced appeared by Kshs. 5M for each Municipality.

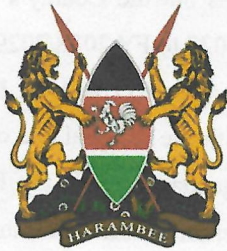
The adoption of the Memorandum was proposed by Olunga Ekwenye and seconded by Hon. Peter Odima.

The County Executive Committee directed that the same be transmitted to the County Assembly before 28<sup>th</sup> February, 2026.

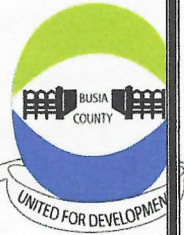
Signed:



Date: 26<sup>th</sup> February 2026



COUNTY GOVERNMENT OF BUSIA P.O.BOX  
PRIVATE BAG-50400  
BUSIA, KENYA  
COUNTY TREASURY



**EXECUTIVE APPROVED COUNTY FISCAL STRATEGY PAPER  
FOR THE  
FINANCIAL YEAR 2026/2027  
AND  
THE MEDIUM-TERM EXPENDITURE FRAMEWORK**

**COUNTY TREASURY AND ECONOMIC PLANNING**

**FEBRUARY 2026**


## **FOREWORD**

The County Fiscal Strategy Paper (CFSP) FY 2026/2027 for Busia County sets out the County's fiscal policies and financial strategies for the medium-term period covering FY 2026/2027 to FY 2028/2029. The Paper has been prepared in compliance with the Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations, 2015. It is aligned with the national and county planning frameworks, including the Bottom-up Economic Transformation Agenda (BETA), the Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV) 2023–2027, the Governor's Manifesto, and the Draft Budget Policy Statement (BPS) 2026. The CFSP reflects a participatory and consultative approach, having incorporated inputs from various stakeholders to ensure responsiveness to the needs and priorities of the residents of Busia County.

The Paper focuses on priority development areas aimed at accelerating socio-economic growth and improving the quality of life of our people. These priorities include enhancing access to quality and affordable healthcare, promoting climate-smart and sustainable agriculture, supporting the growth of micro, small, and medium enterprises (MSMEs), and expanding both the physical and social infrastructure. In addition, the CFSP emphasizes public sector reforms to strengthen governance, transparency, and accountability and promote the creative industry for cultural and economic development. Special attention is also given to the expansion of early childhood education as a foundation for long-term human capital development.

To finance these development priorities, the CFSP outlines key fiscal strategies, including strengthening existing revenue streams through improved collection and management, exploring innovative sources of revenue, and automating revenue collection systems to enhance efficiency and minimize leakages. The strategy further underscores the importance of strengthening partnerships with the development partners and leveraging on Public–Private Partnerships (PPPs) to mobilize additional resources.

Ultimately, the CFSP seeks to foster sustainable economic growth and development by prioritizing strategic investments in health, agriculture, infrastructure, and education, while creating an enabling environment for development, stability, and shared prosperity for the people of Busia County.

  
**Hon. Andrew Nakitari**  
**County Executive Committee Member**  
**County Treasury and Economic Planning**

## ACKNOWLEDGEMENT

The County Fiscal Strategy Paper (CFSP) for FY 2026/2027 presents a comprehensive assessment of the macroeconomic and fiscal outlook over the medium term and provides the policy framework that will guide fiscal management and economic performance at the county level. The Paper outlines the County Government of Busia's policy priorities and fiscal measures for the Medium-Term Expenditure Framework (MTEF) period covering FY 2026/2027 to FY 2028/2029 and sets out expenditure priorities and sector ceilings for FY 2026/2027, informed by departmental strategies and development priorities.

The preparation of this CFSP has been undertaken through a consultative, inclusive, and participatory processes, benefiting from valuable contributions from the county departments and other key stakeholders. We sincerely appreciate all individuals and institutions whose inputs have enhanced the quality, relevance, and credibility of this document.

I wish to express my special appreciation to the leadership of H.E. the Governor, H.E. the Deputy Governor, and all Members of the County Executive Committee for their unwavering support, guidance, and commitments throughout the preparation of this Paper. I also acknowledge, with deep gratitude, the exemplary leadership, support, and strategic direction provided by the County Executive Committee Member for the County Treasury and Economic Planning.

In particular, I extend heartfelt appreciation to CPA Evans Wangata, Director of Budget, for his exemplary leadership and dedication, which were instrumental to the successful preparation of this CFSP. I further acknowledge the invaluable contributions of CPA Jesse Mangeni, CPA Chrispinus Oroni, Mr. Tiberius Muganda, Mr. William Chepkowony, Ms. Minayo Mercy, Mr. Amos O. Imooh, CPA Kevin Otieno, Ms. Marlene Ajiambo, Ms. Beverly Anyokorit, Ms. Maureen Ochieng, Ms. Emily Chemusto, Ms. Verah Ingutia, Ms. Sherry Okuku, and all the departmental budget officers for their steadfast commitment, collaboration, and professionalism during the preparation, review, and the timely finalization of the CFSP FY 2026/2027.

  
**Ahmed Aden Hefow**  
**Chief Officer – County Treasury**

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<b>BETA</b>	Bottom-Up Economic Transformation Agenda
<b>MTP IV</b>	Fourth Medium Term Plan
<b>BPS</b>	Budget Policy Statement
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>PPPs</b>	Public–Private Partnerships
<b>MTEF</b>	Medium Term Expenditure Framework
<b>FY</b>	Financial Year
<b>CPA</b>	Certified Public Accountant
<b>PFM</b>	Public Financial Management
<b>GDP</b>	Gross Domestic Product
<b>IMF</b>	International Monetary Fund
<b>MPC</b>	Monetary Policy Committee
<b>CBR</b>	Central Bank Rate
<b>KESONIA</b>	Kenya Shillings Overnight Index Average
<b>NDA</b>	Net Domestic Assets
<b>NFA</b>	Net Foreign Assets
<b>CBK</b>	Central Bank of Kenya
<b>USA</b>	United States of America
<b>NSE</b>	Nairobi Securities Exchange
<b>OSR</b>	Own Source Revenue
<b>TSA</b>	Treasury Single Account
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ZBB</b>	Zero-Based Budgeting
<b>PIM</b>	Public Investment Management
<b>CIDP</b>	County Integrated Development Plan
<b>ICT</b>	Information and Communication Technology
<b>AIA</b>	Appropriation-in-Aid
<b>FIF</b>	Facility Improvement Fund
<b>NAVCDP</b>	National Agricultural Value Chain Development Project
<b>SACCOs</b>	Savings and Credit Cooperative Organizations
<b>ABDP</b>	Agricultural Business Development Programme
<b>CAID</b>	County Aggregated Industrial Development
<b>EPZ</b>	Export Processing Zone
<b>KEBS</b>	Kenya Bureau of Standards
<b>MSEA</b>	Micro and Small Enterprises Authority
<b>ECDE</b>	Early Childhood Development and Education
<b>VTCs</b>	Vocational Training Centres
<b>UNICEF</b>	United Nations Children’s Fund
<b>SHOFCO</b>	Shining Hope for Communities
<b>ISD</b>	Infrastructure Services Department
<b>E-CIMES</b>	Electronic County Integrated Monitoring and Evaluation System
<b>PLWD</b>	Persons Living With Disabilities

<b>EALASCA</b>	East Africa Local Authorities Sports and Cultural Association
<b>KICOSCA</b>	Kenya Inter-County Sports and Cultural Association
<b>SGBV</b>	Sexual and Gender-Based Violence
<b>MICE</b>	Meetings, Incentives, Conferences and Exhibitions
<b>CECMs</b>	County Executive Committee Members
<b>KSG</b>	Kenya School of Government
<b>CHRMAC</b>	County Human Resource Management Advisory Committee
<b>CSOs</b>	Civil Society Organizations
<b>FLLOCA</b>	Financing Locally-Led Climate Action
<b>PCNs</b>	Project Concept Notes
<b>SHIF</b>	Social Health Insurance Fund
<b>RMNCAH</b>	Reproductive, Maternal, Newborn, Child and Adolescent Health

## **LEGAL BASIS FOR THE PUBLICATION OF THE COUNTY FISCAL STRATEGY PAPER**

The County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law states that:

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and submit the approved Fiscal Strategy Paper to the County Assembly, by the 28<sup>th</sup> of February each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to the county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- (5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of.
  - (a) The Commission on Revenue Allocation.
  - (b) The public.
  - (c) Any interested persons or groups; and
  - (d) Any other forum that is established by legislation.
- (6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.

## **FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT LAW**

In line with the Constitution, the Public Financial Management (PFM) Act 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107(2) of the PFM Act states that:

- 1) The County Government's recurrent expenditure shall not exceed the county government's total revenue.
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure.
- 3) The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the county government's total revenue.
- 4) Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as approved by the County Assembly.
- 6) Fiscal risks shall be managed prudently and,
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

# I. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

## 1.1. Global Economic Outlook

Global economic activity has remained resilient in **2025**, underpinned by the front-loading of exports to the United States in anticipation of higher tariffs, improved financial conditions, and robust consumer spending. **Global real GDP** growth is estimated at **3.2 percent** in **2025**, before easing marginally to **3.1 percent** in **2026 (Table 1)**. The moderation in growth expected in **2026** reflects the dissipation of the temporary boost from front-loaded trade, alongside the dampening effects of higher effective tariff rates and elevated trade-policy uncertainty. Moreover, subdued global demand and persistent geopolitical tensions continue to present significant downside risks to the global economic outlook.

## 1. Global Economy

The global economy has demonstrated notable resilience amid persistent geopolitical tensions, tighter financial conditions, and structural economic adjustments across major regions. Economic growth moderated slightly but remained stable over the review period. In **2023**, global economic growth stood at **3.5 percent**, reflecting the continued recovery of international trade, improved supply chain dynamics, and relatively strong consumer demand in major economies. Growth eased marginally to **3.3 percent** in **2024**, largely due to tighter monetary policies, elevated debt levels, and subdued investment activity in several advanced economies. Looking ahead, global economic growth is projected to remain steady at **3.2 percent** in **2025**, before moderating slightly to **3.1 percent** in **2026**. The outlook reflects expectations of easing inflationary pressures, gradual normalization of monetary policy, and sustained but uneven growth across regions.

## 2. Advanced Economies (United States of America, Euro Area, Japan)

Advanced economies continued to experience modest growth, constrained by structural challenges such as aging populations, high public debt, and subdued productivity growth. Economic growth for advanced economies was **1.8 percent** in both 2023 and 2024, indicating a stable but subdued expansion. Growth during this period was supported by resilient labor markets and steady consumption, particularly in the United States, while performance in the Euro Area and Japan remained relatively weak. Growth is projected to slow slightly to **1.6 percent** in 2025, reflecting lingering effects of tight financial conditions and weaker external demand. A marginal recovery is expected in 2026, with growth projected to maintain at **1.6 percent**, supported by gradual improvements in investment, easing inflation, and policy adjustments.

### 3. Sub-Saharan Africa (South Africa, Nigeria, Kenya)

Economic performance in Sub-Saharan Africa remained mixed, influenced by external shocks, climate-related challenges, fiscal pressures, and currency volatility in some countries. The region recorded economic growth of **3.6 percent in 2023**, followed by a growth to **4.1 percent in 2024**. This moderation reflects constrained fiscal space, high debt servicing costs, and infrastructure constraints in key economies, including South Africa and Nigeria. Growth is projected to recover moderately to **4.1 percent in 2025**, before strengthening further to **4.4 percent in 2026**. The improvement is expected to be driven by structural reforms, increased investment, improved agricultural output, and gradual stabilization of macroeconomic conditions.

Table 1: Global Economic Performance.

Economy	Growth (%)			
	Actual		Projected	
	2023	2024	2025	2026
<b>World</b>	<b>3.5</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.8</b>	<b>1.6</b>	<b>1.6</b>
USA	2.9	2.8	2.0	2.1
Euro Area	0.5	0.9	1.2	1.1
Japan	1.4	0.1	1.1	0.6
<b>Emerging &amp; Developing Economies</b>	<b>4.7</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>
China	5.4	5.0	4.8	4.2
India	9.2	6.5	6.6	6.2
<b>Sub-Saharan Africa</b>	<b>3.6</b>	<b>4.1</b>	<b>4.1</b>	<b>4.4</b>
Nigeria	2.9	4.1	3.9	4.2
South Africa	0.8	0.5	1.1	1.2
<b>Kenya (National Treasury)</b>	<b>5.7</b>	<b>4.7</b>	<b>5.3</b>	<b>5.3</b>

Source: IMF World Economic Outlook Update, January 2026. \*National Treasury Projection

#### 1.2. Domestic Economic Performance

Kenya's economy has demonstrated remarkable resilience over the past three years, consistently growing at a pace that outperforms both the global and regional averages. This strength is rooted in deliberate policies and the benefits of a diversified economy. The economy has thus been able to withstand adverse impacts of domestic and external shocks. In **2024**, the economy grew by **4.7 percent** supported by positive growths in all sub-sectors except construction, mining and quarrying. Further, in the first and second quarters of **2025**, the economy remained strong with a growth of **4.9 percent** and **5.0 percent**, respectively (**Table 2**). This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector. All economic sectors recorded positive growth rates in the first half of **2025**, with varied magnitudes across activities.

## 1. Primary Sector

The Primary Sector recorded a robust performance during the review period. In 2024, the sector registered an annual real GDP growth rate of **3.9 per cent**, reflecting sustained activity across key primary industries. On a quarterly basis, growth in 2024 stood at **4.5 per cent in the first quarter (Q1)** and **4.0 per cent in the second quarter (Q2)**, indicating steady momentum throughout the first half of the year. The positive growth trajectory strengthened further in 2025, with the sector expanding by **6.2 per cent in Q1** before moderating to **4.9 per cent in Q2**. Overall, the Primary Sector demonstrated improved resilience and enhanced productivity in early **2025**, underscoring its continued contribution to economic growth and structural stability.

## 2. Secondary Sector (Industry)

The Secondary Sector posted a modest but improving performance over the period under review. In **2024**, the sector achieved an annual growth rate of **1.5 per cent**, reflecting subdued activity amid the prevailing economic conditions. Quarterly growth for **2024** was **1.5 per cent in Q1**, followed by a slowdown to **0.5 per cent in Q2**, indicating short-term pressures within industrial outputs. However, a notable recovery was observed in **2025**, with growth accelerating to **2.6 per cent in Q1** and further strengthening to **3.3 per cent in Q2**. This upward trend points to a gradual revival of industrial activity, supported by improved demand conditions and enhanced sectoral performance.

## 3. Tertiary Sector (Services)

The **services sector** recorded a growth of **4.8 percent** in the first quarter and **5.5 percent** in the second quarter of **2025**, a slowdown from the **6.8 percent** and **6.2 percent** growths posted in the corresponding quarters of **2024**. The transportation and storage sub-sector expanded by **3.8 percent** in the first quarter and **5.4 percent** in the second quarter of **2025**, compared to **4.1 percent** and **3.4 percent** in the corresponding quarters of **2024**. The performance was supported by increased activity in land transport, railway operations, and port operations. Accommodation and food service sub-sectors grew by **4.1 percent** in the first quarter and **7.8 percent** in the second quarter of **2025**, a slowdown, compared to a

growth of **38.1 percent** and **35.0 percent** in the corresponding quarters of **2024**. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (**JKIA**) and Moi International Airport (**MIA**) increased in the first half of **2025**.

Table 2: Sectoral and Overall Real GDP Performance

Sectors/Sub-sectors	Annual Growth Rates	Quartely Growth Rates			
	2024	2024 Q1	2024 Q2	2025 Q1	2025 Q2
<b>1. Primary sector</b>	<b>3.9</b>	<b>4.5</b>	<b>4.0</b>	<b>6.2</b>	<b>4.9</b>
1.1. Agriculture, Forestry and Fishing	4.6	5.6	4.5	6.0	4.4
1.2. Mining and Quarrying	(9.2)	(16.1)	(5.5)	10.8	15.3
<b>2. Secondary Sector (Industry)</b>	<b>1.5</b>	<b>1.5</b>	<b>0.5</b>	<b>2.6</b>	<b>3.3</b>
2.1. Manufacturing	2.8	1.9	3.2	2.1	1.0
2.2. Electricity and Water supply	1.9	2.8	1.2	3.6	5.7
2.3. Construction	(0.7)	0.4	(3.7)	3.0	5.7
<b>3. Tertiary sector (Services)</b>	<b>6.1</b>	<b>6.8</b>	<b>6.2</b>	<b>4.8</b>	<b>5.5</b>
3.1. Wholesale and Retail trade	3.8	3.6	2.5	5.4	4.0
3.2. Accomodation and Restaurant	25.7	38.1	35.0	4.1	7.8
3.3. Transport and Storage	4.4	4.1	3.4	3.8	5.4
3.4. Information and Communication	7.0	9.2	6.7	5.8	6.0
3.5. Financial and Insurance	7.6	9.6	8.0	5.1	6.6
3.6. Public Administration	8.2	7.5	9.0	6.5	6.0
3.7. Others	5.2	5.8	5.6	4.4	5.2
of which: Professional, Admin & Support Services	9.4	9.4	6.7	4.6	8.5
Real Estate	5.3	6.9	5.9	5.3	5.5
Education	3.9	2.4	3.2	2.9	3.2
Health	6.3	5.4	8.1	4.8	6.8
Taxes less subsidies	4.4	2.9	3.8	5.7	3.3
<b>Real GDP</b>	<b>4.7</b>	<b>4.9</b>	<b>4.6</b>	<b>4.9</b>	<b>5.0</b>

Source: Draft Budget Policy Statement 2026

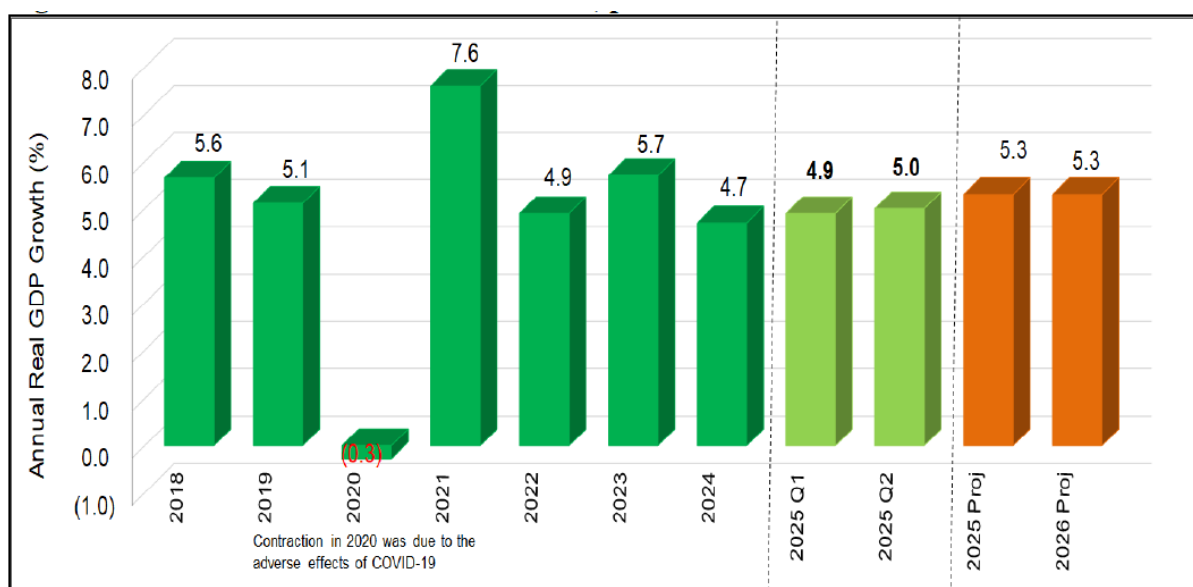
#### 4. Overall Real GDP

Overall Real GDP growth in **2024** was recorded at **4.7 per cent**, indicating a stable expansion of the economy. Quarterly growth rates for 2024 were **4.9 per cent in Q1** and **4.6 per cent in Q2**, reflecting consistent economic activity across sectors. The growth outlook improved in 2025, with Real GDP expanding by **4.9 per cent in Q1** and further accelerating to **5.0 per cent in Q2**. This performance signals a strengthening economic recovery, driven by improved sectoral contributions and enhanced macroeconomic stability.

The information and communication sub-sector grew by **5.8 percent** in the first quarter and **6.0 percent** in the second quarter of **2025**, compared to a growth of **9.2 percent** and **6.7 percent** in corresponding quarters of **2024**. This performance was supported by an increase in both domestic and international mobile voice traffic and an increase in mobile broadband data consumption. The financial and insurance sub-sector recorded growth of **5.1 percent** in the first quarter and **6.6 percent** in the second quarter of **2025**, compared to **9.6 percent** and **8.0 percent** in the corresponding quarters of **2024**. The slower growth reflects the impact of easing interest rates, which moderated earnings from financial intermediation, alongside relatively modest credit growth to the private sector.

Leading indicators of economic activity point to improved performance in the third quarter of **2025**. The growth of the economy is expected to pick up to **5.3 percent** in both **2025** and **2026**, supported by continued resilience of key service sectors and agriculture, and continued recovery of the industry sector. The outlook will be reinforced by the ongoing implementation of the priorities under Bottom-Up Economic Transformation Agenda (BETA) **(Graph 1)**

Graph 1: Annual Real GDP Growth Rates, percent



Source of Data: Kenya National Bureau of Statistics

## Inflation Developments

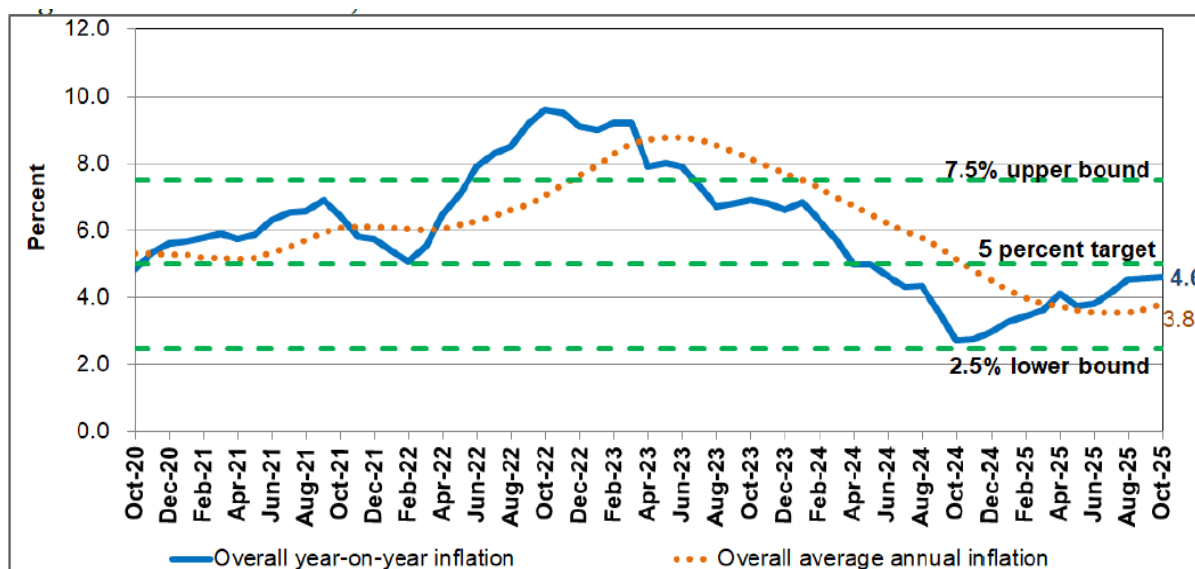
### 1. Overall Inflation Developments

Overall year-on-year inflation has declined and remained below the mid-point of the policy target range of **5.0 ± 2.5 percent** since June 2024. This price stability has been underpinned by an ample supply of food resulting from favorable weather conditions and targeted government interventions; lower fuel inflation reflecting exchange rate stability and reduced international oil prices; and a moderation in non-core inflation due to the lagged effects of earlier monetary policy tightening. Inflation stood at **4.6 percent** in October 2025, compared with **2.7 percent** in October 2024 (Graph 2) The modest increase over the period is largely attributable to the easing of monetary policy.

## 2. Core and Non-Core Inflation Trends

Core inflation rose to **2.7 percent** in October 2025 from **1.8 percent** in October 2024, mainly reflecting higher prices of processed food items. Meanwhile, non-core inflation increased to **9.9 percent** in September 2025 from **5.1 percent** in October 2024, driven largely by sharper increases in transport costs, elevated prices of vegetables—particularly tomatoes, carrots, onions, and cabbages—and additional pressures from utilities and energy costs.

Graph 2: Inflation Rate, Percent



Source of Data: Kenya National Bureau of Statistics

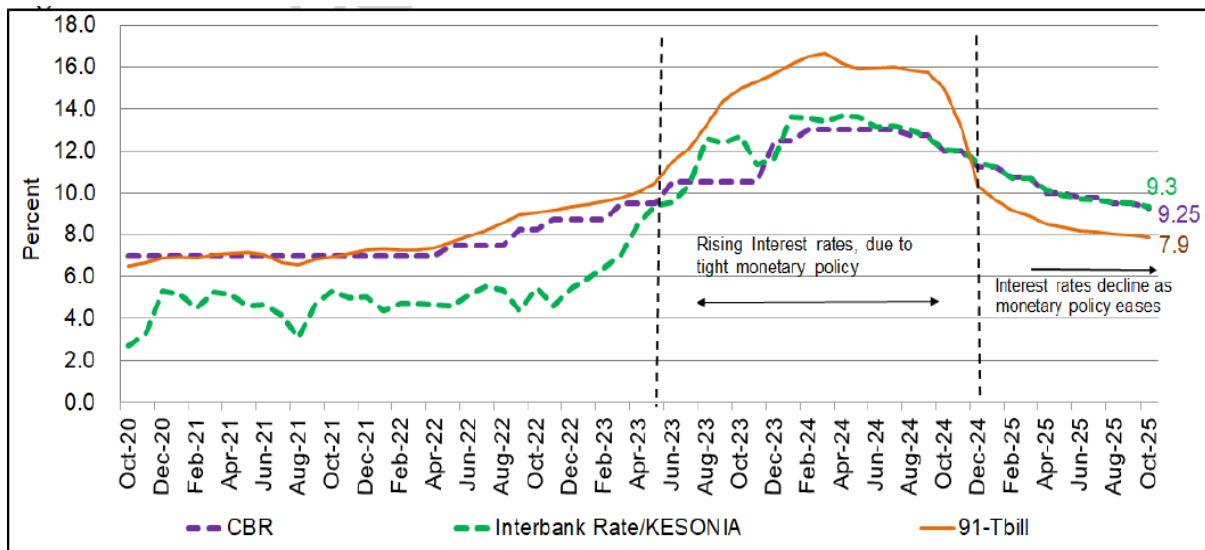
## Interest Rate Developments

1. The Central Bank of Kenya, through the Monetary Policy Committee (MPC), has progressively eased monetary policy by reducing the Central Bank Rate (CBR) from

**13.0 percent** in August 2024 to **9.25 percent** in October 2025 (Graph 3) This policy stance builds on earlier measures aimed at stimulating bank lending to the private sector and supporting overall economic activity. At the same time, it seeks to keep inflation expectations well anchored and to maintain the exchange rate stability.

- In line with the easing of monetary policy, short-term interest rates have declined. The Kenya Shilling Overnight Interbank Average (KESONIA) rate fell to **9.3 percent** in October 2025 from **12.1 percent** in October 2024. Similarly, the 91-day Treasury bill rate declined to **7.9 percent** from **15.0 percent** over the same period. The 182-day Treasury bill rate decreased to **7.9 percent** in October 2025 from **15.8 percent** in October 2024, while the 364-day Treasury bill rate fell to **9.4 percent** from **16.1 percent**. The reduction in domestic government borrowing rates has contributed to lower public debt servicing costs.

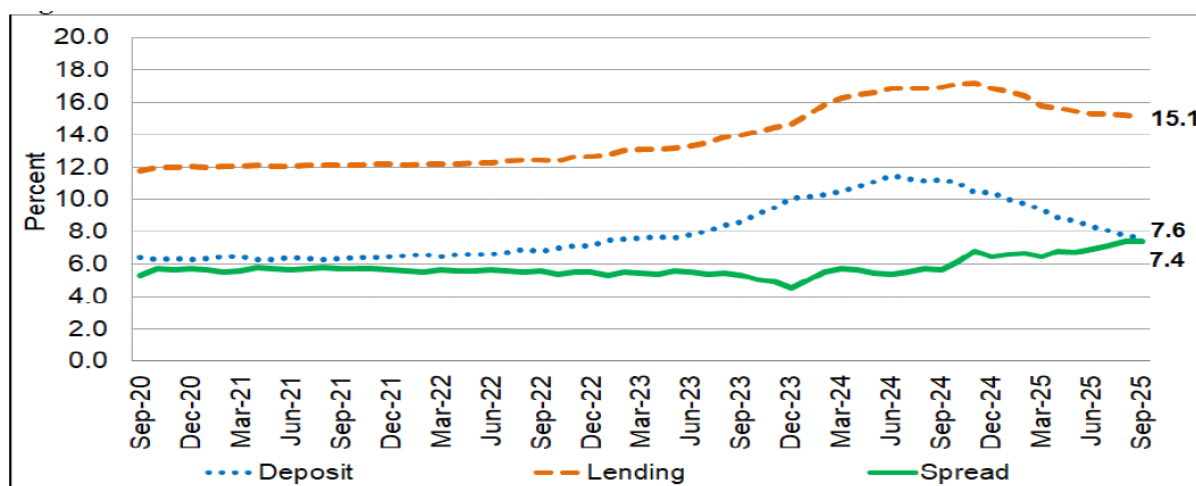
Graph 3: Short Term Interest Rates.



Source of Data: Central Bank of Kenya

Commercial banks average lending and deposit rates decreased in the year to September **2025** in tandem with the easing of the monetary policy. The average lending rate decreased to **15.1 percent** in September 2025 from **16.9 percent** in September 2024 while the average deposit rate also decreased to **7.6 percent** from **11.2 percent** over the same period. Consequently, the average interest rate spread increased to **7.4 percent** in September 2025 from **5.7 percent** in September 2024 (Graph 4)

Graph 4: Commercial Bank Rates.



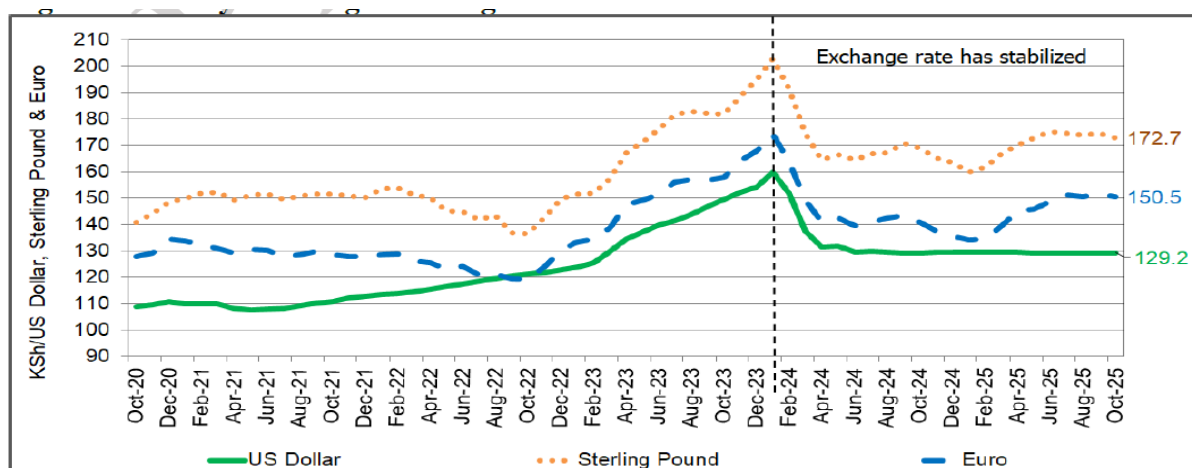
Source of Data: Central Bank of Kenya

### Exchange Rate Developments

The Kenya Shilling remained broadly stable against the US dollar, averaging **Kshs 129.2** in October 2025, unchanged from the corresponding period in the previous year. In contrast, the Shilling depreciated against the Sterling Pound and the Euro by **2.3 percent** and **6.8 percent**, respectively. The Sterling Pound averaged **Kshs 172.7** in October 2025, compared with **Kshs 168.8** in October 2024, while the Euro averaged **Kshs 150.5**, up from **Kshs 140.9** over the same period.

Overall, the foreign exchange market continued to be supported by steady inflows from agricultural exports and diaspora remittances, which helped cushion the Kenya Shilling against excessive volatility.

Graph 5: Kenya Shillings Exchange Rate



Source of Data: Central Bank of Kenya

### 1.3. Fiscal policy

#### 1.3.1. Domestic Revenue Mobilization

The County Government of Busia will continue to implement a mix of revenue administration and policy measures aimed at strengthening own-source revenue (OSR) performance while supporting local economic activity. Over the medium term, the County will focus on enhancing domestic resource mobilization through the following interventions:

##### i) Strengthening Revenue Policy and Legal Frameworks

The County will review and implement the County Revenue Administration Act and other relevant revenue laws to simplify and harmonize revenue streams, eliminate inefficiencies, and enhance fairness and predictability in taxation. These reforms are expected to improve compliance, reduce administrative costs, and support sustainable growth in own-source revenue.

##### ii) Modernization of Revenue Administration Systems

The County will deepen revenue administration reforms through sustained investment in digital revenue collection systems, automation of payment processes, and improved data management. These measures will enhance transparency, minimize leakages, broaden the revenue base, and promote equity by ensuring all eligible taxpayers contribute their fair share.

### **iii) Enhancement of Non-Tax Revenues**

The County will strengthen the capacity of Departments and County Entities to generate revenue from public services by improving service delivery, reviewing fees and charges where necessary, and strengthening operational systems to support performance-based revenue generation. (Market fees, bus park fees and trade licenses)

#### **1.3.2. Expenditure Performance and Reforms**

The County Government will continue to implement expenditure control measures to ensure fiscal discipline and value for money in public spending. Key interventions include the enforcement of austerity measures aimed at containing recurrent expenditure, prioritization of development spending, and strengthening procurement systems to enhance transparency and efficiency.

The County is also enhancing human resource management through improved payroll controls and rationalization of staffing to ensure optimal utilization of personnel. In addition, the County will continue to explore Public-Private Partnerships (PPPs) and other alternative financing mechanisms for commercially viable projects to leverage private sector participation and reduce pressure on public finances.

#### **Implementation of Treasury Single Account (TSA)**

To strengthen public cash management and improve cash visibility, the County Government of Busia is implementing the Treasury Single Account (TSA) framework in line with national guidelines. The TSA reforms aim to consolidate County bank accounts, reduce idle balances, and enhance efficient utilization of public resources. Implementation has improved cash forecasting, liquidity management, and overall fiscal discipline.

In line with public sector accounting reforms, the County Government is progressively transitioning from cash-based to accrual-based accounting in accordance with International Public Sector Accounting Standards (IPSAS). This transition will enhance financial reporting, improve asset & liability management, and strengthen fiscal oversight. Efforts are ongoing to fully recognize County assets and liabilities to support comprehensive financial management.

The County Government has institutionalized Zero-Based Budgeting (ZBB) in the budget preparation process. This approach requires Departments to justify expenditures based on priority programmes and expected outcomes, ensuring efficient allocation of resources. The

adoption of ZBB enhances fiscal discipline and ensures that the County budgets are aligned with development priorities and available resources.

To improve efficiency and value for money in public investment(s), the County continues to strengthen Public Investment Management (PIM) processes. These reforms guide the identification, appraisal, selection, and implementation of development projects to ensure their alignment with the County Integrated Development Plan (CIDP) and CFSP priorities.

### **1.3.3. Deficit Financing Policy**

Busia County government will maintain a balanced budget and will not finance budget deficits through borrowing. Any borrowing, where necessary, shall be limited to the development purposes, undertaken in accordance with the PFM Act 2012 and subject to approval by the County Assembly and the National Government.

The county will prioritize revenue enhancements, expenditure rationalization, effective cash management and clearance of pending bills to ensure fiscal suitability.

## **1.4. Kenya's Macroeconomic Outlook**

Kenya's macroeconomic outlook is moderately positive, supported by improving macroeconomic stability and resilience across the key sectors. Real GDP growth is projected at about **4.8–5.0 percent** in 2025, compared to around **4.7 percent** in 2024, driven by recovery in agriculture, sustained expansion in services (notably tourism, transport, and ICT), and gradual strengthening of private sector activities. Growth is expected to remain close to **5 percent** over the medium term, although it will be moderated by fiscal consolidation efforts and a still-challenging global environment.

Industrial and manufacturing activity is expected to show gradual expansion, driven by both domestic demand and export opportunities. Key sectors include agro-processing, light manufacturing, construction materials, and consumer goods production, which benefit from infrastructure improvements and value addition initiatives. Industrial recovery, however, may be moderated by high energy costs, global supply chain disruptions, and competitive pressures from imported goods. The sector is expected to contribute positively to GDP growth while supporting employment generation in urban and peri-urban areas.

Kenya's domestic demand is expected to remain moderately robust, driven by both private consumption and public expenditure. Household consumption continues to be the largest component of GDP, supported by resilient remittance inflows, wage growth in formal employment, and recovering consumer confidence. However, high food and energy prices in the previous years have constrained purchasing power for some households, and moderate inflation at around **5 percent** is expected to help stabilize real consumption. Overall, demand-side dynamics are expected to support GDP growth of around **4.8–5 percent** in 2025–2026.

Private sector investment is projected to recover gradually, supported by favorable credit conditions, policy incentives, and improving business confidence. Growth in private investment is likely to be concentrated in manufacturing, ICT, real estate, and services sectors, reflecting government efforts to enhance the business environment and stimulate industrialization. Nonetheless, elevated public debt levels and fiscal pressures may limit the pace of private investment, as interest rates and financing costs remain important considerations for firms.

Public consumption and investment will continue to play a stabilizing role in the economy, with government spending on infrastructure, social services, and public wages contributing to aggregate demand. Fiscal policy is expected to be prudent but targeted, reflecting efforts to contain the fiscal deficit at around **5 percent** of GDP while prioritizing critical development programmes. Public investment in transport, energy, and digital infrastructure is expected to crowd in private investment over the medium term, boosting overall economic productivity.

The external sector outlook has strengthened, with the current account deficit narrowing to about **3.8 percent** of GDP. This improvement reflects stronger export earnings, resilient services exports, and robust diaspora remittances of approximately **USD 5.7 billion**. Foreign exchange reserves stood at about **USD 11.9 billion**, equivalent to **5.2 months** of import cover, remaining comfortably above the statutory minimum of four (4) months and supporting relative stability of the Kenyan shilling.

Kenya's macroeconomic outlook remains sensitive to global economic developments. Slower growth in advanced economies, fluctuations in commodity prices, and uncertainty in global trade could impact exports, remittance inflows, and foreign direct investment. Conversely, stable global oil prices, expanding African trade partnerships, and increased demand for

Kenyan agricultural and manufactured goods could provide a supportive environment for growth. Overall, Kenya's economic resilience is expected to mitigate external shocks, but global conditions remain a key determinant of the pace of recovery in exports, industrial activity, and investment flows.

Inflation has eased significantly and is expected to remain broadly within the Central Bank of Kenya's target range. Average inflation is projected at around **5 percent**, supported by improved domestic food supply, relatively stable fuel prices, and tight but increasingly accommodative monetary policy. The easing of inflationary pressures provides room for policy actions aimed at supporting credit growth and economic recovery, while maintaining price and exchange rate stability.

On the fiscal side, pressures remain elevated. The fiscal deficit is estimated at around **5 percent** of GDP, while public debt remains high at above **65 percent** of GDP, with debt servicing absorbing a significant share of government revenues. The macroeconomic outlook therefore hinges on continued fiscal consolidation, enhanced domestic revenue mobilization, and expenditure rationalization to restore debt sustainability while protecting priority development and social spending.

Overall, Kenya's macroeconomic outlook is cautiously optimistic. While growth prospects are improving and macroeconomic stability has strengthened, downside risks persist, including global economic slowdown, climate-related shocks, and domestic fiscal constraints. Sustained reforms aimed at boosting productivity, strengthening the private sector, enhancing export competitiveness, and maintaining prudent macroeconomic management will be essential to achieving durable and inclusive growth over the medium term.

### **Monetary Policy Management in Kenya**

The Central Bank of Kenya (CBK) continues to play a central role in maintaining macroeconomic stability through careful monetary policy management. Over the recent period, the CBK has balanced the dual objectives of controlling inflation and supporting economic growth. With inflation moderating to around **5 percent**, the CBK has adopted a more accommodative monetary stance, reducing policy rates to stimulate credit growth, encourage private sector investment, and support domestic demand. At the same time, the Bank has

closely monitored liquidity conditions in the financial system, employing tools such as open market operations, repo and reverse repo facilities, and cash reserve requirements to ensure stability in short-term interest rates.

In addition, the CBK has actively managed exchange rate stability, ensuring that the Kenyan shilling remains relatively stable against major currencies. This has been supported by adequate foreign exchange reserves, which stood at about **USD 11.9 billion** by mid-2025, equivalent to **5.2 months** of import cover, providing a buffer against external shocks. By maintaining a stable currency and managing liquidity prudently, monetary policy has strengthened investor confidence and reduced volatility in the financial markets.

Looking ahead, Kenya's monetary policy management is expected to remain data-driven and flexible, responding to inflationary pressures, exchange rate developments, and global economic conditions. The CBK is likely to continue balancing growth-supportive measures with price and external stability objectives, while deepening financial markets and enhancing credit access to support inclusive economic growth

### **Macroeconomic Assumptions Underlying the Medium Term Fiscal Framework.**

The macroeconomic assumptions for FY 2026/27 and medium-term Budget are outlined below:

- i) Global macroeconomic conditions remain stable;
- ii) Real GDP is projected to grow by **5.3 percent** in 2025 and to sustain this growth rate over the medium term, largely driven by enhanced agricultural productivity, a resilient services sector, and ongoing implementation of priorities under BETA;
- iii) Favorable weather conditions are anticipated to boost agricultural productivity;
- iv) Inflation is expected to be maintained within the target range of **5±2.5 percent**;
- v) Interest rates are expected to continue declining in line with the monetary policy stance and remain stable over the medium term to enhance credit to the private sector and support economic activities; and
- vi) Exchange rate is expected to remain stable.

## 1.5. Risks to Kenya’s Economic Outlook

Kenya’s economic outlook, while cautiously optimistic, is subject to several downside risks that could affect growth, inflation, and fiscal sustainability. On the external front, the economy remains vulnerable to global economic slowdown, which could reduce demand for exports, remittance inflows, and foreign direct investment. Fluctuations in commodity prices, particularly oil and food, could also increase import bills and inflationary pressures, while volatility in global financial markets may raise borrowing costs.

Domestically, fiscal pressures pose a significant risk. Elevated public debt—currently above **65 percent** of GDP—and high debt servicing costs constrain fiscal space, limiting the government’s ability to respond to shocks or increase development spending. Revenue underperformance, due to weak tax collection or economic shocks, could widen the fiscal deficit and worsen debt sustainability concerns.

Other domestic risks include structural constraints such as energy supply disruptions, low productivity in agriculture and manufacturing, and slow private sector credit growth, which may dampen investment and industrial activity. Climate-related shocks, including droughts, floods, or erratic rainfall, pose a further threat to agricultural output, food security, and overall GDP growth.

Finally, inflationary pressures could emerge if global oil prices rise or domestic supply-side constraints intensify, potentially eroding household purchasing power and private consumption. Exchange rate volatility, if reserves were to decline or external flows falter, could further destabilize prices and investor confidence.

Overall, while Kenya’s macroeconomic fundamentals are relatively strong, a combination of global, fiscal, structural, and climate-related risks could undermine growth and stability. Sustained reforms, prudent fiscal and monetary management, and resilience-building measures are critical to mitigating these risks and sustaining the medium-term economic outlook.

## II. Update on Fiscal Performance

For the Financial Year 2025/2026, the County Government is implementing a total budget of **Kshs. 10.037 Billion**. This is broken down into the Equitable Share from the National Government amounting to **Kshs. 7.862 Billion**, Loans and Conditional Grants totaling **Kshs. 936.651 Million**, Own Source Revenue of **Kshs. 707.27 Million**, comprising **Kshs. 399.77 Million** from other ordinary revenue sources and **Kshs. 307.50 Million** from Appropriations in Aid (AIA). In addition, the budget incorporated Balances Brought Forward of **Kshs. 531.808 Million** from the previous financial year.

The approved budget of **Kshs. 10.037 Billion** is allocated to Recurrent Expenditure of **Kshs. 6.995 Billion** to support personnel costs and operations, while **Kshs. 3.042 Billion** is dedicated to Development Expenditure to finance priority programmes and projects across the County.

During the first half of FY 2025/26, the County Government implemented the approved budget within a constrained fiscal environment characterized by slow adoption of E-procurement, revenue shortfalls against targets as well as expenditures pressures arising from the pending bills and rollovers.

### 2.1 Revenue Performance

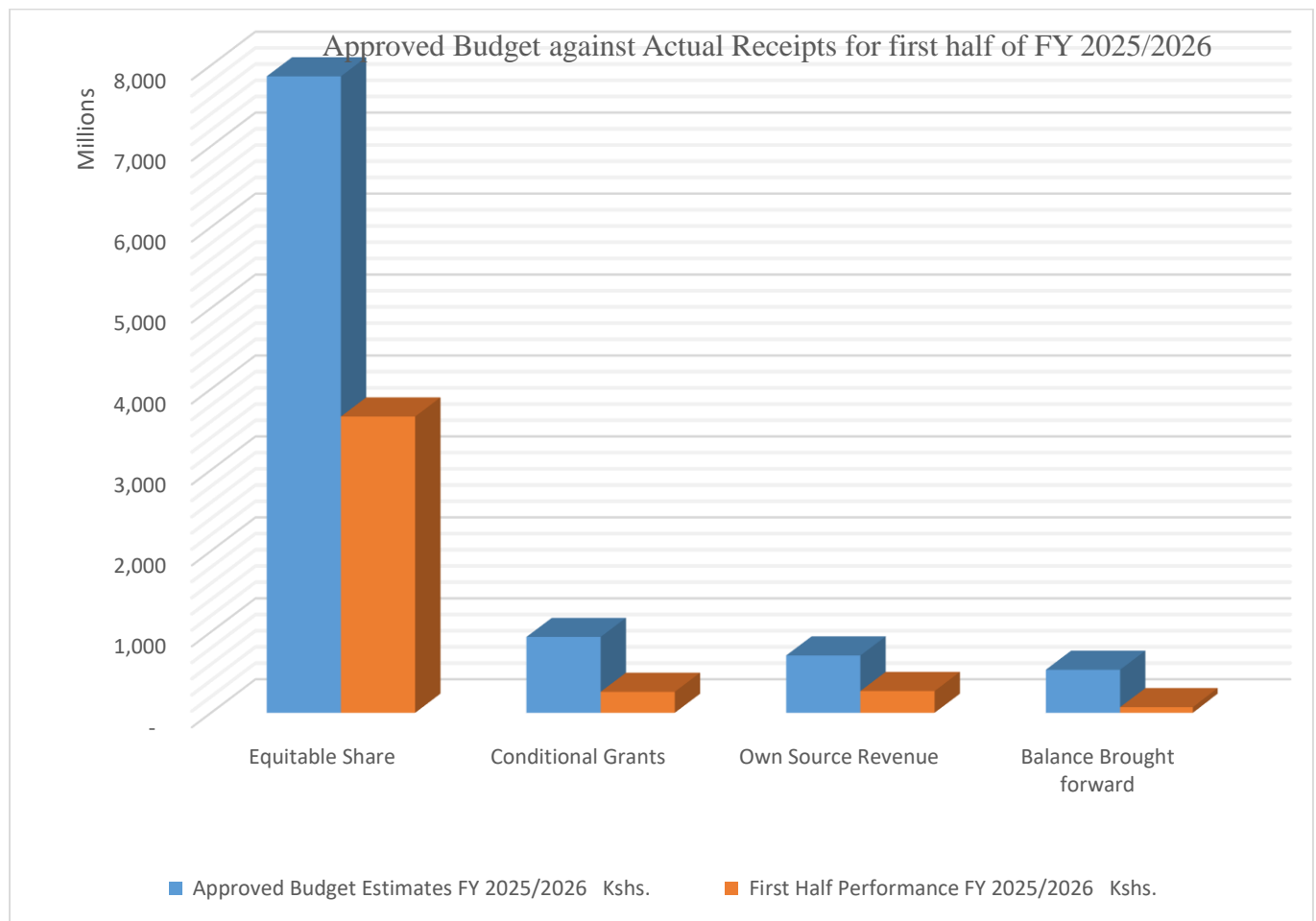
The county received **Kshs.4.26 billion** in the first half of FY 2025/2026, this comprised of **Kshs. 3.66 billion** from Equitable shares, **Kshs 259.57 million** on Conditional grants, **kshs 268.54 million** from own source revenue comprised of **kshs 63.70 million** as other ordinary revenues while FIF collected **kshs. 204.84 million**. With balances brought forward of **kshs. 69.17 million**.

Table 3: Summary of County Receipts for the first half FY 2025/26

Description	Revised Budget Estimates FY 2023/2024	Actual Receipts FY 2023/2024	Approved Budget Estimates FY 2024/2025	First Half Performance FY 2024/2025	Approved Budget Estimates FY 2025/2026	First Half Performance FY 2025/2026	Absorption rate %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Equitable Share	7,475,585,295	6,877,538,472	7,764,601,080	2,648,547,956	7,862,026,089	3,659,925,696	47%
Conditional Grants	662,529,604	469,449,413	902,110,048	-	936,651,545	259,570,780	28%
Own Source Revenue	245,284,949	136,138,244	647,006,996	78,891,320	707,267,427	268,542,707	38%
Balance Brought forward	1,244,567,439	1,244,567,439	-	-	531,807,622	69,167,230	13%
<b>Total Revenue</b>	<b>9,627,967,287</b>	<b>8,727,693,568</b>	<b>9,313,718,124</b>	<b>2,727,439,276</b>	<b>10,037,752,683</b>	<b>4,257,206,413</b>	<b>42%</b>

Source: Busia County Treasury, 2025

Graph 6: Approved budget against Actual receipts for first half FY 2025/26



The graph above illustrates the performance of revenue receipts during the first half of the Financial Year 2025/2026. The equitable share received accounts for 47 per cent of the annual target, while own source revenue stands at 38 per cent of the targeted amount. Conditional grants recorded a realization of 28 per cent of the annual target. In addition, the County recorded balances brought forward, comprising amounts receivable and those received in the Financial Year 2025/2026.

**Own source Revenue**

The table below presents a detailed breakdown of the County’s own-source revenue by department and their respective revenue streams.

Table 4: Own source revenue per stream

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Approved Revenue Estimates	First Half Performance	% Collected
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2025-2026
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Administrative Services</b>	<b>3,730,000</b>	<b>3,133,500</b>	<b>3,373,535</b>	<b>380,100</b>	<b>11,504,805</b>	<b>622,111</b>	<b>5%</b>
Fire Safety	2,870,000	2,986,500	2,720,080	322,000	11,004,805	243,000	2%
<b>Payroll products</b>						314,611	
Impounding/Clamp . Fees	860,000	147,000	653,455	58,100	500,000	64,500	13%
<b>Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness</b>	<b>72,727,825</b>	<b>66,381,310</b>	<b>115,350,776</b>	<b>30,436,333</b>	<b>77,827,240</b>	<b>26,675,382</b>	<b>34%</b>
Sugar Cane Cess	18,000,000	15,310,287	20,359,000	10,441,618	20,000,000	7,214,303	36%
Transit Produce Cess	32,000,000	37,243,969	30,674,240	12,476,420	30,674,240	11,947,570	39%
Tobacco Cess	2,500,000	1,121,281	999,182	1,701,980	2,500,000	2,094,278	84%
Fish Cess	1,236,350	934,589	1,005,147	274,420	1,200,000	474,170	40%
Tractor Hire Services	1,200,000	1,698,255	50,000,000	1,312,270	8,000,000	574,075	7%
Agriculture Training Centre	3,800,000	1,523,575	1,038,241	945,770	3,500,000	1,015,056	29%
Veterinary Services	4,121,362	3,045,836	2,427,800	1,429,745	4,782,200	1,403,350	29%
Stock Sale	4,500,000	3,841,588	3,993,209	1,544,660	4,400,000	1,402,460	32%
Fish Traders License	409,319	422,800	130,020	7,300	230,000	4,500	2%
Fish Movement Permit	160,669	261,240	120,450	64,350	125,000	63,670	51%
Livestock movement permit	198,000	-	217,800		217,800		0%
Vaccination	550,000	-	605,000				
Artificial Insemination	77,000	-	84,700				
Slaughter premise licenses	55,000	-	505,615	154,150	600,000	207,350	35%
Meat Carrier License	66,000	-	72,600				
Meat inspection fees( Bovine, pigs, sheep and goats)	1,870,000	-	2,057,000				
Reg. Of Boats License	176,584	207,200	34,540	8,050	100,000		0%
Fisherman's License	498,537	625,700	84,700	600	85,000		0%
Fish Import Permit	261,004	81,540	41,404	28,700	300,000	274,600	92%
Wakhungu Fish Farm	100,000	-	110,000	7,000	1,000,000	-	0%
Cage Licensing	332,000	45,450	112,530	39,300	113,000	-	0%
Certificate of Transport	462,000	-	508,200				
Automation for licenses for Agro-dealers	154,000	18,000	169,400				
<b>Youth, Sports, Culture, Gender, Creative Arts and Social Services</b>	<b>430,850</b>	<b>193,850</b>	<b>311,600</b>	<b>205,790</b>	<b>350,000</b>	<b>75,600</b>	<b>22%</b>

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Approved Revenue Estimates	First Half Performance	% Collected
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2025-2026
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Hire Of Hall / Office	80,850	66,500	61,600	23,500	100,000	-	0%
Hire of Busia County Stadium	100,000	-	-			-	
Registration/ Renewal of SHGs, CBOs, Women groups and Youth groups	200,000	127,350	200,000	182,290	250,000	75,600	30%
Community Cultural Centres	50,000	-	50,000			-	
<b>Lands, Housing And Urban Development</b>	<b>149,148,022</b>	<b>30,931,578</b>	<b>107,062,756</b>	<b>6,716,462</b>	<b>123,093,317</b>	<b>7,626,487</b>	<b>6%</b>
Plot Rent	1,808,442	1,102,755	1,989,286	1,033,865	1,842,369	852,293	46%
Plot Rent Arrears	6,626,027	315,154	913,022	-	2,000,000	124,627	6%
Cilor(Contributions in lieu of rates) Arrears			10,000,000	-	9,708,510		0%
Cilor			7,200,000	588,320	7,200,000	33,200	0%
Rent/Gov Houses	11,858,894	5,757,658	4,963,022		3,000,000	1,352,400	45%
Land Rates	40,627,221	1,826,773	30,456,078	1,277,030	9,000,000	1,696,753	19%
Land Rates (Arrears)	40,227,438	602,260	28,250,182		65,227,438	900,900	1%
Application Of Plans	-	455,500	3,000,000	36,000	565,000	-	0%
Building Plans Approval	32,000,000	2,062,150	5,420,378	1,456,000	4,500,000	875,300	19%
Solid Waste advertisement	-	-	-		-		
advertisement	15,000,000	18,809,328	13,770,788	2,325,247	20,000,000	1,791,014	9%
Animal Control and Welfare	1,000,000	-	1,100,000		50,000		0%
<b>Transport, Roads and Public Works</b>	<b>48,892,740</b>	<b>29,656,377</b>	<b>43,084,226</b>	<b>11,830,000</b>	<b>40,022,015</b>	<b>10,805,101</b>	<b>27%</b>
Trailer Parking Fees	6,738,639	3,496,240	5,715,438	1,515,460	4,245,864	1,357,200	32%
Reserved Parking	5,000,000	5,684,033	3,449,996	1,097,060	6,252,436	1,320,601	21%
Bus Parking Fees	30,562,001	20,428,604	33,700,992	9,217,480	25,471,464	8,080,300	32%
Machine Hire	6,592,100	47,500	217,800		4,052,250	47,000	1%
<b>Water, Environment, Irrigation, Natural Resources and Climate Change</b>	<b>16,061,793</b>	<b>8,585,843</b>	<b>12,459,150</b>	<b>3,121,077</b>	<b>14,274,200</b>	<b>2,235,337</b>	<b>16%</b>
Solid Waste	1,760,660	2,984,260	2,888,017	493,000	3,000,000	405,800	14%
Sand Cess	2,206,690	3,494,780	1,336,335	1,361,580	5,000,000	1,096,920	22%
Busia Hills Water Supply	1,724,673	338,275	524,625	329,481	524,625	127,730	24%
Busijo Water Supply	1,114,760	144,430	234,185	105,280	234,185	32,730	14%
Alema Water Supply	86,434	-	95,077		95,077	-	0%
Munana Water Supply	1,194,368	119,725	668,726	57,255	668,726	2,500	0%
Butula Water Supply	1,340,760	543,484	734,428	217,967	734,428	228,947	31%
Port Victoria Water Supply	2,296,057	615,689	1,598,969	419,814	1,598,969	88,910	6%
Drilling Rig	3,433,277	-	3,776,605		1,776,605	-	0%

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Approved Revenue Estimates	First Half Performance	% Collected
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2025-2026
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Noise	432,867	345,200	394,020	136,700	433,422	251,800	58%
Water Bowser	471,247	-	208,164		208,164	-	0%
<b>Trade, Investment, Industrialization, Co-operatives, Small and Micro Enterprises (SME)</b>	<b>85,477,923</b>	<b>93,948,753</b>	<b>119,950,893</b>	<b>21,153,168</b>	<b>132,700,000</b>	<b>15,662,244</b>	<b>12%</b>
Liquor License	3,540,000	3,000,000	5,488,300	600,000	10,000,000	-	0%
Single Business Permit	62,864,888	73,608,301	83,488,130	13,298,611	100,000,000	9,467,054	9%
Market Stall / Kiosk	757,640	572,970	823,251	150,900	1,000,000	339,690	34%
Charcoal Fees	16,307,094	-	937,804				
Markets Fees	400,000	12,756,274	28,747,659	5,821,280	20,000,000	5,821,280	29%
Weights & Measures	300,000	163,000	330,000	38,000	300,000	-	0%
Co-Operatives Audit Fees	1,308,301	108,520	48,983	31,500	1,400,000	24,220	2%
Other Miscellaneous	-	3,739,688	86,766	1,212,877		10,000	
<b>Local Own Source Revenue</b>	<b>376,469,152</b>	<b>232,831,211</b>	<b>401,592,935</b>	<b>73,842,929</b>	<b>399,771,576</b>	<b>63,702,262</b>	<b>16%</b>
<b>Health Services and Sanitation</b>	<b>272,546,481</b>	<b>136,372,764</b>	<b>245,414,061</b>	<b>5,048,391</b>	<b>307,495,850</b>	<b>204,840,445</b>	<b>67%</b>
Mortuary Fees(Facilities)	7,543,767	2,074,870	5,544,314	-	8,316,472	-	0%
Slaughter Fees	498,537	234,520	548,391	548,391	-		
Public Health	4,500,000	4,355,900	4,500,000	4,500,000	4,791,490	1,838,801	38%
Hospital User Fees-(Facilities)	161,804,177	39,929,474	152,395,498	-	123,982,198	-	0%
SHA(Facilities)	98,200,000	89,778,000	82,425,858	-	170,405,690	-	0%
<b>Busia County Referral Hospital</b>			<b>95,489,398</b>	<b>-</b>	<b>108,073,317</b>	<b>49,547,030</b>	<b>46%</b>
Mortuary Fees			1,563,058		2,344,587		
Hospital User Fees-SHA			68,803,435		55,482,920		
			25,122,905		50,245,810		
<b>Khunyangu Sub County Hospital</b>			<b>19,366,568</b>	<b>-</b>	<b>27,582,899</b>	<b>8,831,203</b>	<b>32%</b>
Hospital User Fees-SHA			7,956,728		6,763,219		
			11,409,840		20,819,680		
<b>Nambale Sub County Hospital</b>			<b>13,918,095</b>	<b>-</b>	<b>19,741,480</b>	<b>4,973,944</b>	<b>25%</b>
Hospital User Fees-SHA			6,169,313		5,243,916		
			7,748,782		14,497,564		
<b>Alupe Sub County Hospital</b>			<b>13,979,195</b>	<b>-</b>	<b>20,861,007</b>	<b>6,988,763</b>	<b>34%</b>
Mortuary Fees			571,951		857,927		
Hospital User Fees-SHA			4,618,616		3,925,824		
			8,788,628		16,077,256		
<b>Teso North Sub County Hospital</b>			<b>15,773,704</b>	<b>-</b>	<b>21,463,254</b>	<b>8,038,896</b>	<b>37%</b>
Mortuary Fees			1,931,511		2,897,267		
Hospital User Fees-			6,189,912		5,261,425		

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Approved Revenue Estimates	First Half Performance	% Collected
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2025-2026
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
SHA			7,652,281		13,304,562		
Sio Port Sub County Hospital			7,860,761	-	11,610,613	1,608,858	14%
Hospital User Fees-SHA			3,139,921		2,668,933		
			4,720,840		8,941,680		
Port Victoria Sub County Hospital			22,519,432	-	37,032,053	6,683,176	18%
Mortuary Fees			1,477,794		2,216,691		
Hospital User Fees-SHA			4,059,056		3,450,198		
			16,982,582		31,365,164		
Matayos Sub County Hospital			4,390,423	-	3,731,860	3,071,713	82%
Hospital User Fees-SHA			4,390,423		3,591,860		
					140,000		
Amukura Sub County Hospital			4,390,423		3,731,860	5,483,841	147%
Hospital User Fees-SHA			4,390,423		2,895,362		
					836,498		
Bumala B Sub County Hospital			4,390,423		3,731,860	3,142,704	84%
Hospital User Fees-SHA			4,390,423		3,139,630		
					592,230		
Mukhobola Sub County Hospital			4,390,423		3,731,860	3,132,279	84%
Hospital User Fees-SHA			4,390,423		2,874,601		
					857,259		
Angurai Sub County Hospital			4,390,423		3,731,860	2,343,797	63%
Hospital User Fees-SHA			4,390,423		3,649,436		
					82,424		
Lupida Sub County Hospital			4,390,423		3,731,860	7,364,819	197%
Hospital User Fees-SHA			4,390,423		3,686,297		
					45,563		
Health Centres - 18No			25,115,979	-	21,348,582	38,014,886	0%
Hospital User Fees-SHA			25,115,979		21,348,582		
Dispensaries					12,600,000	53,775,735	427%
SHA					12,600,000		
Appropriation in Aid	245,284,949	136,138,244	204,744,506	5,048,391	307,495,850	204,840,445	67%
Total Own Source Revenue	649,015,633	369,203,975	647,006,996	78,891,320	707,267,427	268,542,707	38%

Under the Department of Agriculture- livestock movement permits, vaccination, artificial insemination, meat inspection, and transport certification have been appropriately consolidated under Veterinary Services to ensure functional and effective service delivery.

## Emerging Revenue challenges

Despite the implementation of the FY 2025/2026 budget, Busia County continues to face persistent revenue performance challenges, particularly in underperformance of Own Source Revenue (OSR), largely due to narrow revenue bases, weak enforcement, revenue leakages, outdated valuation rolls and resistance from taxpayers arising from economic pressures.

Delays and unpredictability in the disbursement of equitable share and conditional grants further constrain cash flows, affecting timely implementation of development projects and programmes and settlement of the County’s fiscal obligations.

Additionally, limited automation, weak data integration and inadequate capacity in revenue administration reduce efficiency and accountability in revenue collection.

To address these challenges, Busia County is strengthening the revenue automation systems, expanding and diversifying revenue bases. Proposals are underway to update the existing valuation rolls and enhance enforcement while prioritizing taxpayer education and stakeholder engagement. There is also a focus on aligning expenditure commitments to actual cash releases and enhancing internal controls and accountability in the revenue administration to improve overall revenue performance.

## 2.2 Expenditure Performance

Total expenditure for the first half of FY 2025/2026 amounted to **Kshs. 4.17 billion** against an approved Annual budget of **Kshs. 10.037 billion** translating to an absorption rate of **42 percent**.

The table below presents the expenditure performance for the first half of FY 2025/2026 for both the County Assembly and the County Executive, disaggregated by their respective economic classifications;

Table 5: Summary of first half FY 25/26 expenditure performance for County executive and assembly

Description	Revised Budget Estimates FY 2023/2024	Actual Receipts FY 2023/2024	Approved Budget Estimates FY 2024/2025	First Half Performance FY 2024/2025	Approved Budget Estimates FY 2025/2026	First Half Performance FY 2025/2026	Absorption rate %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
<b>County Executive</b>							
<b>Recurrent Expenditure</b>	<b>5,866,566,676</b>	<b>5,862,155,849</b>	<b>5,618,822,449</b>	<b>2,502,233,525</b>	<b>6,136,118,987</b>	<b>2,917,268,622</b>	<b>48%</b>
Employee Compensation	2,813,695,034	2,806,456,119	3,351,401,770	1,540,547,001	4,500,655,476	2,398,515,131	53%
Operations and Maintenance	3,052,871,642	3,055,699,730	2,267,420,679	961,686,524	2,494,846,077	846,687,539	34%
Development Expenditure	3,355,409,128	1,830,972,117	2,763,197,548	482,895,798	2,987,751,130	926,967,827	31%
<b>Sub Total</b>	<b>9,221,975,804</b>	<b>7,693,127,966</b>	<b>8,382,019,997</b>	<b>2,985,129,323</b>	<b>9,123,870,117</b>	<b>3,844,236,449</b>	<b>42%</b>
<b>County Assembly</b>							
<b>Recurrent Expenditure</b>	<b>890,557,352</b>	<b>889,265,459</b>	<b>891,698,127</b>	<b>-</b>	<b>859,382,566</b>	<b>327,934,048</b>	<b>38%</b>
Employee Compensation	420,050,615	419,519,807	481,116,574	-	468,610,184	93,796,421	20%
Operations and Maintenance	470,506,737	469,745,652	410,581,553	-	390,772,382	234,137,627	60%
Development Expenditure	90,500,000	51,694,500	40,000,000	-	54,500,000	1,450,000	3%
<b>Sub Total</b>	<b>981,057,352</b>	<b>940,959,959</b>	<b>931,698,127</b>	<b>-</b>	<b>913,882,566</b>	<b>329,384,048</b>	<b>36%</b>
<b>Total Expenditure</b>	<b>10,203,033,156</b>	<b>8,634,087,925</b>	<b>9,313,718,124</b>	<b>2,985,129,323</b>	<b>10,037,752,683</b>	<b>4,173,620,497</b>	<b>42%</b>

Source: Busia County Treasury, 2025

Graph 7: Analysis of County Expenditure Performance for the first half of the FY 25/26

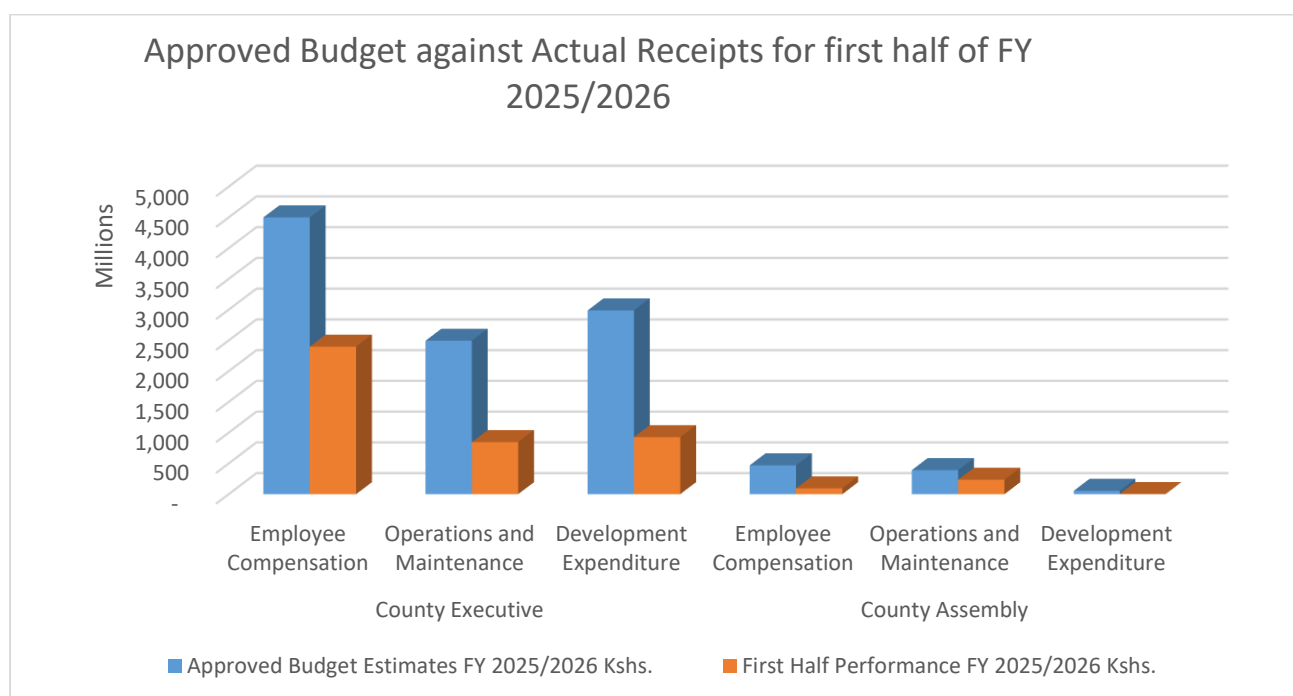


Table 6: Expenditure Analysis per Department for the first Half of the FY 2025/2026

Vote Title	Economic Classification	Approved budget (kshs)	First Half expenditure	Absorption rate-first half	Approved Budget	First Half expenditure	Absorption rate-first half
		FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2025/2026	FY 2025/2026	FY 2025/2026
		Kshs.	Kshs.	%	Kshs.	Kshs.	%
Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness	Employee Compensation	207,574,238	158,707,398	76%	216,007,110	91,938,939	43%
	Operations and Maintenance	74,196,668	31,274,784	42%	55,081,727	9,368,238	17%
	Development	690,036,465	177,814,118	26%	545,155,479	264,747,043	49%
	<b>Sub Total</b>	<b>971,807,371</b>	<b>367,796,300</b>	<b>38%</b>	<b>816,244,316</b>	<b>366,054,220</b>	<b>45%</b>
Trade, Investment, Industrialisation, Co-operatives, Small and Micro Enterprises (SME)	Employee Compensation	39,288,587	3,609,571	9%	54,093,401	26,761,757	49%
	Operations and Maintenance	44,068,307	24,060,423	55%	47,061,163	8,127,183	17%
	Development	109,620,000	68,989,898	63%	240,717,104	53,636,199	22%
	<b>Sub Total</b>	<b>192,976,894</b>	<b>96,659,892</b>	<b>50%</b>	<b>341,871,668</b>	<b>88,525,139</b>	<b>26%</b>
Education and Industrial Skills Development	Employee Compensation	461,875,191	282,824,004	61%	560,557,817	198,761,402	35%
	Operations and Maintenance	259,468,826	40,190,767	15%	128,282,267	10,807,752	8%
	Development	114,040,000	-	0%	116,000,000	76,999,455	66%
	<b>Sub Total</b>	<b>835,384,017</b>	<b>323,014,771</b>	<b>39%</b>	<b>804,840,084</b>	<b>286,568,609</b>	<b>36%</b>
The County Treasury and Economic Planning	Employee Compensation	366,321,279	362,377,818	99%	300,114,571	159,843,601	53%
	Operations and Maintenance	369,901,835	299,731,970	81%	373,858,389	270,318,879	72%
	Development	9,000,000	2,000,000	22%	22,919,656	-	0%
	<b>Sub Total</b>	<b>745,223,114</b>	<b>664,109,788</b>	<b>89%</b>	<b>696,892,616</b>	<b>430,162,480</b>	<b>62%</b>
Youth, Sports, Culture, Gender, Creative Arts and Social Services	Employee Compensation	48,151,963	15,744,906	33%	52,513,808	25,937,663	49%
	Operations and Maintenance	126,070,485	48,193,691	38%	156,692,200	32,325,793	21%
	Development	38,300,000	-	0%	25,500,000	9,877,658	39%
	<b>Sub Total</b>	<b>212,522,448</b>	<b>63,938,597</b>	<b>30%</b>	<b>234,706,008</b>	<b>68,141,114</b>	<b>29%</b>

Vote Title	Economic Classification	Approved budget (kshs)	First Half expenditure	Absorption rate-first half	Approved Budget	First Half expenditure	Absorption rate-first half
		FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2025/2026	FY 2025/2026	FY 2025/2026
		Kshs.	Kshs.	%	Kshs.	Kshs.	%
<b>Transport, Roads and Public Works</b>	Employee Compensation	90,476,188	854,599	1%	83,555,152	42,257,101	51%
	Operations and Maintenance	67,221,258	44,656,285	66%	83,192,321	18,924,587	23%
	Development	529,600,000	180,829,006	34%	621,858,891	199,460,948	32%
	<b>Sub Total</b>	<b>687,297,446</b>	<b>226,339,890</b>	<b>33%</b>	<b>788,606,364</b>	<b>260,642,636</b>	<b>33%</b>
<b>Public Service Management</b>	Employee Compensation	161,654,386	80,356,924	50%	295,457,757	132,114,418	45%
	Operations and Maintenance	419,613,096	112,686,316	27%	452,168,860	117,084,417	26%
	Development				-	-	
	<b>Sub Total</b>	<b>581,267,482</b>	<b>193,043,241</b>	<b>33%</b>	<b>747,626,617</b>	<b>249,198,835</b>	<b>33%</b>
<b>Lands, Housing and urban Development</b>	Employee Compensation	41,197,742	13,157,127	32%	66,175,063	30,600,071	46%
	Operations and Maintenance	104,537,028	52,978,365	51%	66,806,289	18,727,759	28%
	Development	74,250,000		0%	108,500,000	30,558,587	28%
	<b>Sub Total</b>	<b>219,984,770</b>	<b>66,135,492</b>	<b>30%</b>	<b>241,481,352</b>	<b>79,886,417</b>	<b>33%</b>
<b>Water, Environment, Irrigation, Natural Resources and Climate Change</b>	Employee Compensation	75,240,878		0%	94,152,036	60,433,186	64%
	Operations and Maintenance	60,884,777	20,662,116	34%	72,704,250	16,424,105	23%
	Development	786,051,083	13,340,629	2%	722,500,000	203,860,689	28%
	<b>Sub Total</b>	<b>922,176,738</b>	<b>34,002,745</b>	<b>4%</b>	<b>889,356,286</b>	<b>280,717,980</b>	<b>32%</b>
<b>Health Services and Sanitation</b>	Employee Compensation	1,682,028,507	584,276,245	35%	2,053,694,979	1,419,165,300	69%
	Operations and Maintenance	369,844,812	157,077,806	42%	347,026,622	42,294,298	12%
	Development	378,300,000	39,922,148	11%	548,600,000	82,026,385	15%
	<b>Sub Total</b>	<b>2,430,173,319</b>	<b>781,276,199</b>	<b>32%</b>	<b>2,949,321,601</b>	<b>1,543,485,983</b>	<b>52%</b>
<b>County Public Service Board</b>	Employee Compensation	30,431,963	18,362	0%	29,563,226	13,657,120	46%
	Operations and Maintenance	88,876,972	39,977,847	45%	68,320,821	13,139,333	19%
	<b>Sub Total</b>	<b>119,308,935</b>	<b>39,996,209</b>	<b>34%</b>	<b>97,884,047</b>	<b>26,796,453</b>	<b>27%</b>
<b>The Governorship</b>	Employee Compensation	100,201,991	37,974,203	38%	185,239,695	83,649,791	45%
	Operations and Maintenance	196,128,910	76,460,672	39%	167,690,696	41,013,799	24%
	Development	28,000,000		0%	28,000,000	5,800,863	21%
	<b>Sub Total</b>	<b>324,330,901</b>	<b>114,434,875</b>	<b>35%</b>	<b>380,930,391</b>	<b>130,464,453</b>	<b>34%</b>
<b>County Law Office</b>	Employee Compensation	24,256,836	645,842	3%	15,820,129	6,720,241	42%
	Operations and Maintenance	61,233,049	8,643,368	14%	54,544,701	6,737,446	12%
	Development						
	<b>Sub Total</b>	<b>85,489,885</b>	<b>9,289,209</b>	<b>11%</b>	<b>70,364,830</b>	<b>13,457,687</b>	<b>19%</b>
<b>Strategic Partnerships and Digital Economy</b>	Employee Compensation	22,702,021	-	0%	25,100,548	12,878,120	51%
	Operations and Maintenance	25,374,656	5,092,116	20%	30,643,389	7,256,323	24%
	Development	6,000,000		0%	8,000,000	-	0%
	<b>Sub Total</b>	<b>54,076,677</b>	<b>5,092,116</b>	<b>9%</b>	<b>63,743,937</b>	<b>20,134,443</b>	<b>32%</b>
	<b>Total County Executive Expenditure</b>	<b>8,382,019,997</b>	<b>2,985,129,323</b>	<b>36%</b>	<b>9,123,870,117</b>	<b>3,844,236,449</b>	<b>42%</b>
<b>County Assembly</b>	Employee Compensation	481,116,574		0%	468,610,184	93,796,421	20%
	Operations and Maintenance	410,581,553		0%	390,772,382	234,137,627	60%
	Development	40,000,000		0%	54,500,000	1,450,000	3%
	<b>Sub Total</b>	<b>931,698,127</b>	<b>-</b>	<b>0%</b>	<b>913,882,566</b>	<b>329,384,048</b>	<b>36%</b>
<b>Total County Expenditure</b>	<b>Total County Expenditure</b>						
	Employee Compensation	<b>3,832,518,344</b>	<b>1,540,547,001</b>	<b>40%</b>	<b>4,500,655,476</b>	<b>2,398,515,131</b>	<b>53%</b>
	Operations and Maintenance	<b>2,678,002,232</b>	<b>961,686,524</b>	<b>36%</b>	<b>2,494,846,077</b>	<b>846,687,539</b>	<b>34%</b>
	Development	<b>2,803,197,548</b>	<b>482,895,798</b>	<b>17%</b>	<b>3,042,251,130</b>	<b>928,417,827</b>	<b>31%</b>
<b>Grand Total</b>	<b>9,313,718,124</b>	<b>2,985,129,323</b>	<b>32%</b>	<b>10,037,752,683</b>	<b>4,173,620,497</b>	<b>42%</b>	

## Expenditure Challenges

Busia County continues to face challenges related to rising recurrent expenditure, particularly personnel emoluments, which constrains fiscal space for development spending. In addition, challenges in the implementation of the e-procurement system, including system downtimes and limited user capacity have contributed to procurement delays and slowed project execution.

To address these challenges, there is need to rationalize recurrent expenditure and prioritizing high-impact development programmes. Targeted interventions are being undertaken to stabilize and fully operationalize the e-procurement system through user training and system support.

### 2.3 Management of pending bills

In the Financial Year 2025/2026, the County constituted a Pending Bills Verification Committee to review and validate outstanding pending bill obligations as at the close of FY 2024/2025. Following the verification exercise, eligible pending bills were established at **Kshs. 2.64 billion**, comprising **Kshs. 1.38 billion** for recurrent expenditure and **Kshs. 1.26 billion** for development expenditure.

As at December 2025, a total of **Kshs. 109.2 million** had been settled. The relatively low level of settlement during the first half of the financial year is mainly due to the fact that allocations for pending bills were provided for under the Supplementary Budget, whose implementation commenced in the third quarter. The County anticipates an accelerated settlement of verified pending bills in the remainder of the financial year.

Going forward, the County Treasury will prioritizing the settlement of verified pending bills as a first charge within available fiscal space, during supplementary budget processes and ring-fence adequate allocations specifically for pending bills clearance. This approach is expected to significantly reduce the accumulation of arrears, restore supplier confidence and enhance the County's credibility in financial management. In addition, the enforcement of stricter commitment controls will minimize the emergence of new pending bills.

### 2.4 Revised Estimates

During the Financial Year 2025/2026, the County prepared a Supplementary Budget that began implementation in January 2026. This was necessitated by the need to accommodate verified pending bills and approved rollovers from the previous financial year, consideration of balances brought forward from FY 2024/2025 and conditional grants that had not been remitted by the close of the financial year. Consequently, the supplementary budget process also required the rationalization of expenditures, as the County did not fully achieve its own source revenue targets for FY 2024/2025.

## **2.5 Busia County Fiscal Risks and Mitigation Measures**

### **1. Revenue Underperformance**

Busia County faces the risk of failing to achieve its own-source revenue targets due to weak collection systems, low taxpayer compliance, and over-ambitious fiscal projections. In the financial 2024/2025, the County collected other ordinary revenues of **Ksh 239 million** which was below the targeted amount of **Kshs. 401 million**. This is a recurring fiscal risk that will potentially affect the operations of the County in FY 2026/2027. This can reduce funds available for service delivery and development.

#### **Mitigation**

Automation and digitization of revenue collection systems, Capacity building and logistics support for revenue officers, Setting realistic revenue targets and improving enforcement.

### **2. Accumulated Pending Bills**

The County has significant unpaid bills from suppliers and contractors, creating cash-flow pressures, potential legal disputes, and reduced fiscal flexibility.

#### **Mitigation**

The County has put in place a number of measures to address the continuous problem of ballooning pending bills that includes treating pending bills as a first charge in future budgets, prioritizing completion of stalled projects, adopting a multi-year arrears clearance strategy, allocating budget provisions specifically for debt settlement and limiting initiation of new projects until existing debt/ pending bills obligations are reduced.

### **3. High Wage Bill Risk**

Rising personnel costs continue to crowd out development expenditure and pose a risk to compliance with statutory fiscal thresholds. Busia County's wage bill accounted for a significant share of the total county revenues. This escalation in the wage bill heightens fiscal sustainability risks, as personnel expenditures are subject to legal limits under Section 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015. Consequently,

the increasing wage bill constrains the fiscal space available for development projects and programmes and exposes the County to the risk of breaching statutory requirements.

### **Mitigation**

To manage the bloated wage bill the County Public Service Board will implement Non-replacement of retired non-technical staff, control hiring and recruitment at lower entry salary levels and rationalization of personnel while prioritizing hiring of essential technical staff.

#### **4. Procurement**

The County faces partial adoption of the e-procurement system due to limited technical capacity and inadequate user skills, leading to procurement delays.

### **Mitigation Measures**

The County will continue to enhance capacity building, strengthen ICT support, and enforce mandatory use of e-procurement to improve efficiency and reduce procurement timelines.

#### **5. Over-reliance on National Government Transfers**

Dependence on equitable share and conditional grants has exposed the county to fiscal shocks from delayed or reduced transfers.

### **Mitigation**

To curb the above risk, the County has strengthened own-source revenue mobilization, diversified revenue streams and aligned expenditure commitments with confirmed funding flows.

#### **6. Statutory and Operational Funds Sustainability**

Some county funds and programmes risk lapsing due to expired legislation or weak administration, affecting public service delivery.

### **Mitigation**

The County will ensure timely operationalization of programmes and funds, review & renew fund legislation where necessary and improve governance structures of the county funds.

### **III. DEPARTMENTAL PRIORITIES**

#### **Prioritization and Allocation of Resources to Programmes**

The County Government's execution of capital projects will be prioritized in alignment with the objectives set forth in key national and county plans, including the Kenya Vision 2030, the Medium-Term Plan IV, the Bottom-up Transformation Agenda (BETA), and the County Integrated Development Plan (CIDP 2023-2027). This strategic focus aims to ensure that projects directly contribute to national and county priorities. Furthermore, the County Government will continue its policy of expenditure prioritization to better serve its citizens. Resources allocations will be guided by several criteria, such as the findings of performance reviews for ongoing programs, the linkage of programs with the objectives of the CIDP 2023-2027, and the degree to which these programmes address core poverty interventions. Additionally, the alignment of the programmes with departmental mandates, expected outputs and outcomes, cost-effectiveness, and sustainability will be considered, as well as the programmes' contribution to the implementation of constitutional mandates, Acts, regulations, and policies, they should also prioritize the payment of outstanding pending bills/debts.

In line with these priorities, departments are required to account for the funding needs of ongoing projects, particularly those that require multi-year funding, before initiating new development projects.

Finally, the FY 2026/2027 departmental priorities are informed by performance analysis of previous financial years, stakeholder consultations, and departmental data to ensure clear justification and differentiation from prior-year priorities. This strengthens evidence-based planning, transparency and alignment with the CIDP 2023-2027, ADP 2026-2027 and the National fiscal policy framework.

#### **1. Smart Agriculture, livestock, Fisheries, Blue Economy and Agribusiness**

The Department of Agriculture, Livestock and Fisheries plays a central role in promoting agricultural development, food and nutrition security, employment creation, and inclusive economic growth in Busia County. The department supports improved livelihoods by enhancing agricultural productivity, commercializing farming systems, strengthening agricultural value chains, and building resilience against climate and market shocks. Through

its interventions, the department contributes directly to household incomes, job creation—particularly for youth and women, improved service delivery, and overall socio-economic welfare of the county residents.

To effectively deliver on its mandate, the department is structured into five directorates: Crops, Livestock Production, Veterinary Services, Fisheries, and Agribusiness. Each directorate focuses on specific value chains and services that are aimed at empowering the farmers, strengthening markets, and transforming agriculture from subsistence to a competitive and sustainable economic sector.

### **Key Achievements (FY 2022/23 – FY 2024/25 MTEF Period)**

During the review period, the department, through county-funded programmes and donor-supported projects, achieved the following measurable results:

#### **Crops Development**

Under the Mechanization Programme, 2,290 acres were ploughed at a subsidized rate of Kshs. 2,500 per acre, benefiting 1,381 farming households across all wards. To expand mechanization capacity, the county procured 13 tractors, 13 disc ploughs, 4 rotavators, and 1 rice planter. Through the Input Access Programme, certified inputs were distributed, including 66.23 tons of maize seed, 9 tons of cassava cuttings, 2.27 tons of Nyota beans, 27.21 tons of cotton seed, 5 tons of soya beans, and 4.04 tons of sunflower seed, among others. As a result, food crop production increased from 423,240 tons to 462,954 tons, while edible oil and industrial crop production exceeded targets, reaching 10,736 tons, strengthening food security and farm incomes.

#### **Agribusiness Development**

In collaboration with the national government e-voucher subsidy programme, 16,598 bags (830 tons) of subsidized fertilizer were distributed during the long rains season, improving crop establishment and yields. The directorate also spearheaded the development of the Busia County Agribusiness Strategy, aimed at promoting value addition, agro-processing, youth and women participation in agriculture, and market-driven agricultural growth and development.

### **Fisheries and Aquaculture**

The fisheries directorate recorded a production of 176 metric tons of fish, supported by smallholder cluster production systems. The county produced approximately 700,000 fingerlings through operational hatcheries and increased beneficiary households to 1,326. Cold chain capacity was enhanced through the establishment of a fish cold storage facility at Mulukoba.

### **Livestock Production**

Annual milk production reached 39.7 million litres (95% achievement), supported by improved feeding and extension services. 1,444 tons of fodder valued at KSHS. 10.3 million were produced. The poultry directorate recorded 3,816.2 metric tons of poultry meat, valued at KSHS. 1.6 billion, while 79,500 improved chicks were produced and distributed to farmers.

### **Veterinary Services**

Over 4,500 animals were sprayed against ticks, and 1,200 animals treated through mass deworming and anti-trypanosomiasis interventions, resulting in a 30% reduction in vector-borne diseases. 850 animals benefited from Artificial Insemination, supporting genetic improvement, while 14,250 carcasses were inspected to safeguard public health.

### **Donor-Funded Projects**

NAVCDP reached 30,479 farmers, facilitated 15,213 farmers through e-voucher fertilizer access, disbursed Kshs 24.5 million to 35 ward-based SACCOs, and trained 245 agripreneurs as last-mile service providers.

KeLCoP integrated 5,901 households into poultry and dairy goat value chains, supported ultra-poor households with productive assets, upgraded Nambale livestock market, and trained 880 beneficiaries on business and income generation.

ABDP reached 1,326 households through aquaculture inputs, fisheries extension services, and recruitment of 64 aquaculture groups, expanding adoption of fish farming technologies.

## **Strategic Priorities for FY 2026/2027 and the Medium Term**

In the FY 2026/2027 and the medium-term period, the Department will prioritize interventions aimed at enhancing productivity, commercializing agriculture, strengthening agricultural value chains, and improving institutional capacity to drive inclusive economic growth and food security in Busia County.

The Department will focus on promoting crop productivity and edible oil crop development through the Crop Development Programme. This will involve the distribution of certified agricultural inputs, provision of subsidized mechanization services, strengthened extension service delivery support, soil improvement initiatives, and promotion of value addition. These interventions are expected to increase crop yields, lower production costs, and improve food and nutrition security, ultimately leading to higher farm incomes, improved household resilience, and reduced poverty levels.

To advance sustainable, market-oriented agribusiness, the Agribusiness Development Programme will be implemented to operationalize the county agribusiness strategy, strengthen market information systems, and enhance linkages between farmers, processors, and traders. Capacity-building initiatives will also be undertaken to support agribusiness development. The expected outcomes include improved market access, increased value addition, and greater private sector participation, contributing to job creation and overall county economic growth and development.

The Department will also prioritize agricultural value chain development and commercialization by strengthening Farmer Producer Organizations, promoting aggregation and bulking centres, and supporting contract farming arrangements. These measures will reduce post-harvest losses, improve farmers' bargaining power, and stabilize markets, resulting in improved and more predictable producer incomes.

Under livestock directorate, livestock production and productivity enhancement will be pursued through investments in dairy and poultry parks, establishment of breeding centres, development of fodder infrastructure, and expanded disease control and veterinary services. These interventions will increase the production of milk, meat, and poultry products while

improving animal health, thereby enhancing food security, creating employment opportunities, and raising rural incomes.

The Department will further promote fisheries and Blue Economy development through the expansion of aquaculture, development of fisheries infrastructure, and strengthening of post-harvest management and value addition. These efforts will increase fish production, reduce post-harvest losses, and contribute to improved nutrition, employment creation, and income diversification, particularly within fishing communities.

Finally, institutional capacity and an enabling policy environment will be strengthened through continuous training of farmers and staff, adoption of digital tools, and development of supportive policies and legal frameworks. Improved institutional capacity will enhance service delivery efficiency and programme effectiveness, ensuring sustainable agricultural transformation and improved governance across the sector.

## **Resource Allocation**

The proposed resource allocation for FY 2026/2027 amounts to **Kshs. 639,260,572** and over the medium term **Kshs 1,027,556,304** for FY 2027/2028 and **Kshs. 1,078,934,119** for FY 2028/2029.

## **2. Trade, Investment, Industrialization, Co-operatives, Small and Micro Enterprises (SME)**

The Department is mandated to facilitate and promote trade, investment, industrial development, cooperative growth, fair trade practices, and social protection through drug and substance abuse control. It exists to promote self-reliance, employment creation, wealth generation, and inclusive economic growth across Busia County.

The department delivers on this mandate through targeted programmes that support business development, market access, value addition, innovation, industrial infrastructure development, cooperative financing, and consumer protection. These interventions directly contribute to increased productivity, improved service delivery, job creation, enhanced incomes, and overall socio-economic welfare of county residents.

To effectively discharge its functions, the department operates through five directorates: Trade, Industrialization, Cooperatives, Small and Micro Enterprises, and Alcoholic Drinks & Drug Abuse Control.

### **Key Achievements (FY 2022/23 – FY 2024/25 MTEF Period)**

During the FY 2022/23–FY 2024/25 MTEF period, the Department implemented a range of programmes that significantly contributed to economic growth, employment creation, investment promotion, and consumer protection across Busia County.

In the area of industrialization, the Department commenced and continued implementation of Phase I of the Busia County Aggregation and Industrial Park (CAIP) at Nasewa, a flagship county project jointly funded by the County Government and the National Government at a total cost of Kshs. 500 million. By FY 2024/25, the project had attained 68.9% completion, with substantial progress made on shared infrastructure, factory shells, and support facilities. In addition, construction of the Export Processing Zone (EPZ) progressed to approximately 72%, positioning the County as a future hub for manufacturing, agro-processing, and export-oriented investment.

Under Trade directorate, the Department constructed and operationalized eight markets, including Adung’osi, Murumba, Bukhalalire, Angurai, Tangakona, and Apegei (Phase I), and renovated seven existing markets, namely Busia Main Market, Soko Posta, Bulemia, Chengo, Matayos Auction Ring, Mayenje, and Bukhuyi. These interventions improved hygiene standards, trading conditions, and market access for traders, while enhancing local revenue generation. Additional market facilities such as modern ablution blocks, market fencing, and boda boda sheds were also developed, contributing to safer and more organized trading environments.

In MSME development and trade facilitation, the Department trained over 2,100 traders on enterprise management, compliance, and value addition, exceeding annual targets. They also strengthened the regulatory framework by developing amendments to the Busia County Trade Revolving Fund Act, 2016, and finalizing the Busia County Investment Policy, which was submitted to the County Assembly for approval to guide investment promotion and private sector participation.

Cooperatives directorate recorded significant growth, with the registration of 32 new cooperative societies under the Ward-Based Rural Economic Revitalization Programme in collaboration with NAVCDP. Over the MTEF period, more than 105 cooperative societies were formed, while 34 cooperative audits were conducted to improve governance, accountability, and financial compliance. In addition, 522 cooperative leaders and over 5,000

cooperative members were trained in partnership with NAVCDP, KEBS, and MSEA, strengthening institutional capacity and cooperative performance.

In the area of fair trade practices and consumer protection, the Department enhanced verification and inspection of weighing and measuring equipment. Over the MTEF period, more than 4,000 legal metrology devices were examined, tested and verified, improving accuracy in trade transactions and protecting consumers from unfair practices.

Under alcoholic drinks and drug abuse control, reforms were initiated to strengthen regulation and enforcement by developing a draft bill to repeal the Busia County Alcoholic Control Act, 2014, aligning it with current regulatory and industry standards and enhancing public health and social protection outcomes.

### **Strategic Priorities (FY 2026/2027 – FY 2028/2029)**

Over the medium term, the Department will pursue strategic priorities aimed at strengthening trade, investment, industrialization, and cooperative development to drive inclusive economic growth in Busia County. The Department will seek to increase access to trade and investment by enhancing MSME promotion, improving market and trading infrastructure, and strengthening investment promotion initiatives in order to stimulate business growth, expand revenue streams, and create employment opportunities.

To strengthen fair trade practices, the Department will focus on improving the verification and inspection of weighing and measuring equipment to safeguard consumers, enhance compliance, and promote transparency and confidence in trade transactions.

In promoting industrialization, priority will be given to the completion and operationalization of industrial parks, Export Processing Zones (EPZs), and Jua Kali infrastructure. These interventions are expected to attract private investment, support value addition, create jobs, and position the County as a competitive industrial hub.

To improve access to cooperative services, the Department will scale up investment in cooperatives through enhanced financing mechanisms, capacity building, and strengthened governance systems. This approach will promote economies of scale, improve member returns, and enhance the sustainability and impact of cooperative enterprises across the County.

The department has proposed an allocation of **Kshs. 218,999,464** in FY 2026/2027 and over the medium term **kshs. 229,949,437** for FY 2027/28 and **kshs. 241,446,909** FY 2028/29.

### **3. Education and Industrial Skills Development**

The Department of Education and Industrial Skills Development is mandated to enhance access to quality early childhood education and to promote technical and vocational skills development in support of human capital development, youth empowerment, and socio-economic transformation in Busia County. The Department contributes to improved learning outcomes and productivity by strengthening foundational education, improving learning environments and equipping youth with relevant industrial and technical skills aligned to labour market needs.

The Department operates through two directorates: Early Childhood Development Education (ECDE) and Industrial Skills Development.

#### **Directorate of Early Childhood Development Education**

The Directorate of ECDE is responsible for supervising the implementation of the ECDE curriculum, monitoring child growth and development, collecting education data for equitable resource allocation, and strengthening the capacity of ECDE teachers. The Directorate also focuses on improving the learning environment through the construction of classrooms and provision of outdoor play equipment to enhance holistic child development.

#### **Directorate of Vocational Training**

The Directorate of Vocational Training is mandated to manage the development and implementation of policies, guidelines, and quality assurance standards. The Directorate oversees the management of instructors and staff, promotes ICT integration and youth innovation, coordinates development partner-supported programmes, and strengthens human resource capacity within vocational education and training institutions.

#### **Key Achievement Highlights (FY 2024/2025)**

During FY 2024/2025, the Department recorded significant achievements across both directorates.

Under the ECDE Directorate, the Department implemented the School Meals Nutrition and Intervention Programme, benefiting over 46,000 learners in 460 ECDE centres countywide. The programme improved school attendance, retention, and learning outcomes, particularly among children from vulnerable households.

Through the Governor’s Flagship Rapid Response Initiative (RRI), construction of 96 ECDE classrooms were launched and commenced across all wards, significantly improving access to safe and child-friendly learning environments.

In addition, the Directorate distributed learning and specialist instructional materials, including assistive devices for learners with disabilities, to ECDE centres countywide, promoting inclusivity and equitable access to education.

Under Vocational Training Directorate, notable progress was made in strengthening VTC infrastructure, including the renovation of Esidende ICT Block, construction of Osuret VTC Admission Block (Phase I), and development of Busagwa VTC Ablution Block, among other facilities. These investments enhanced the quality of training environments and service delivery.

The Department also undertook capacity-building initiatives in collaboration with development partners including UNICEF, World Vision, SHOFCO, and No One Out. Training targeted ECDE teachers, sub-county coordinators, technical staff, and VTC managers, with a focus on training, child development, programme management, and financial management.

Further, in collaboration with the KCB Foundation, the ISD Directorate successfully implemented the Tujiajiri Programme, providing full scholarships to 520 students to pursue technical and vocational training in VTCs across the County. To recognize skills development and promote the dignity of vocational training, the County conducted its first-ever VTC graduation ceremony, marking a major milestone in skills development and youth empowerment.

### **Medium-Term Strategic Priorities (FY 2026/2027 – MTEF)**

Over the medium term, the Department will focus on strategic interventions aimed at improving access, quality, and relevance of early childhood education and technical skills development to support sustainable human capital formation and youth employment.

To expand access to equitable and quality Early Childhood Development Education, the Department will prioritize the construction and equipping of ECDE classrooms, provision of age-appropriate learning and play materials, and scaling up of the school meals programme to improve enrolment, attendance, retention, and learning outcomes.

To strengthen the quality of ECDE service delivery, emphasis will be placed on continuous professional development of ECDE teachers, enhanced supervision of curriculum implementation, improved child growth monitoring systems, and data-driven planning to ensure equitable allocation of resources across centres.

To enhance access to equitable and quality technical and vocational skills, the Department will focus on upgrading and modernizing Vocational Training Centres through improved infrastructure, equipment, ICT integration, and enforcement of Quality Assurance and Standards to ensure training remains relevant to labour market and industry needs.

To strengthen strategic partnerships and linkages in the promotion of Education in the county, the Department will strengthen partnerships with development partners and the private sector to expand scholarship programmes, apprenticeship and mentorship initiatives and support youth-led innovations emerging from VTCs.

The department has proposed an allocation of **Kshs. 807,192,694** in the FY 2026/2027 and over the medium term **kshs. 847,552,329** for FY 2027/28 and **kshs. 889,929,945** for FY 2028/29.

#### **4. The County Treasury and Economic Planning**

The Department is mandated to provide overall leadership in economic planning, budgeting, revenue mobilization, accounting services, internal audit and supply chain management for the County Government. The Department plays a central role in formulating and coordinating development plans, mobilizing and managing financial resources and ensuring prudent utilization of public funds in line with the Constitution of Kenya, the Public Finance Management Act, 2012, and other applicable laws.

Through effective planning, budgeting and monitoring and evaluation, the Department supports evidence-based decision-making, prioritization of development projects, and alignment of resources to the County's development agenda. Its functions directly contribute to economic growth by enhancing fiscal discipline, improving service delivery, strengthening revenue generation, promoting transparency and accountability, and ensuring value for money in public spending. These interventions support job creation through development projects, improve productivity by ensuring timely funding of priority programmes, and enhance the overall welfare of county residents through efficient and equitable service delivery.

#### **Summary of Achievements for FY 2022/23–2024/25 MTEF Period**

During the FY 2022/23–2024/25 MTEF period, the Department recorded notable achievements across its directorates, as summarized below:

### **Economic Planning and Monitoring & Evaluation**

The Directorate of Economic Planning effectively discharged its mandate in the formulation, coordination, monitoring, and evaluation of county development plans, policies, and strategies. Key achievements during the period included the review of the County Monitoring and Evaluation (M&E) Policy to facilitate operationalization of the electronic County Integrated Monitoring and Evaluation System (e-CIMES). The Directorate also adopted a Project Monitoring and Tracking System to enhance monitoring of development projects across the County.

### **Budget Directorate**

The Directorate of Budget ensured timely preparation of County Budget Estimates and statutory budget documents in compliance with the legal and regulatory framework. Throughout the MTEF period, the Directorate provided technical support, advice, and guidance on fiscal and budgetary matters to departments and other stakeholders, contributing to improved budget credibility and execution. This subsequently led to the County being recognized by Bajeti Hub as one of the Counties that produce most comprehensive planning documents.

### **Revenue Directorate**

The Directorate of Revenue implemented automation of revenue collection across several revenue streams to enhance efficiency and reduce leakages. Coupled with structural reforms instituted by management, these initiatives significantly improved revenue performance.

Revenue collection increased from **Kshs. 369.2 million** in **FY 2023/24** to **Kshs. 506 million** in **FY 2024/25**, representing a substantial growth in own-source revenue.

### **Accounting Services**

During the period under review, the Directorate prepared the County financial reports in line with IPSAS Accrual, currently under a piloting phase, aimed at strengthening financial prudence and enhancing the timely preparation of accurate financial reports that present a true and fair view of the financial position and performance of Busia County.

### **Audit Directorate**

The Directorate conducted internal audits and provided advisory services on county programmes and projects to promote accountability and value for money. The Directorate also

facilitated coordination between the County Government and the Office of the Auditor-General through the preparation of quarterly internal audit reports.

### **Supply Chain Management Directorate**

The Directorate enhanced the adoption and implementation of e-procurement in line with the Public Procurement and Asset Disposal Act, 2015. This contributed to improved efficiency, transparency, and accountability in the procurement of goods, works, and services.

### **Strategic Priorities**

For FY 2026/2027 and the medium term, the Department's strategic priorities are focused on strengthening revenue mobilization, enhancing public financial management, and improving economic policy formulation, planning and monitoring.

In **Public Financial Management**, the Department will expand automation to additional revenue streams, procure a more efficient revenue system that will also integrate health management information system, enhance compliance, and implement data-driven monitoring to increase collection efficiency. This is expected to generate additional fiscal space for development projects and improve service delivery.

Additionally, the department will continue to prepare financial statements in accordance with IPSAS Accrual, enhance timeliness and accuracy of reporting, and strengthen internal controls to ensure accountability. This will support prudent management of public resources and improve transparency in financial operations.

In **Economic Policy and Planning**, the Department will fully operationalize statistical unit, enhance data collection and analysis, and strengthen the integration of monitoring and evaluation in planning processes. Economic policies will be developed and aligned with National and County development frameworks to guide resource allocation and prioritization. These interventions are expected to improve the efficiency of county programmes, promote value for money and support socio-economic development by fostering evidence-based decision-making, timely project implementation and sustainable economic growth.

The department has proposed an allocation of **Kshs. 829,099,872** in the FY 2026/2027 and over the medium term **kshs. 864,254,865** for FY 2027/28 and **kshs. 907,467,609** for FY 2028/29.

## **5. Youth, Sports, Culture, Gender, Creative Arts and Social Services**

The mandate of the department is to mobilize the Busia community towards sustainable social protection, talent development and equal opportunities for youth, women, persons living with disabilities (PLWDs), older persons, and other vulnerable groups. The Department contributes to inclusive growth and social cohesion through promotion of sports and culture, youth empowerment, gender equality, tourism development, and provision of social protection services that enhance livelihoods, identity and community resilience.

The Department operates through five directorates: Youth, Sports, Tourism, Gender, and Culture and Social Services.

### **Key Achievement Highlights (FY 2024/2025)**

During FY 2024/2025, the Department recorded notable progress across all its directorates in line with the County's social and economic development agenda.

The Directorate of Culture conducted cultural auditions across all sub-counties, culminating in a county grand finale held at the Agricultural Training Centre (ATC) with participation of over 1,000 cultural performers. Sub-county cultural days were held to showcase indigenous traditions, while targeted engagements with artisans in weaving, pottery, knitting and basketry benefited 211 participants in Bunyala, Samia, Teso South, and Butula. In addition, the Bumbere Cultural Centre was completed and commissioned, providing a permanent facility for cultural exchange, tourism and community events.

The County participated in the East African Local Authorities Sports and Cultural Association (EALASCA) Games in Kampala, where both the men's and women's tug-of-war teams emerged champions. At the Kenya Inter-County Sports and Cultural Association (KICOSCA) Games held in Kakamega, Busia teams competed in football, scrabble, choir, cultural dance, ajua and tug-of-war, winning multiple trophies. The Department also successfully organized ward-level sporting activities culminating in the inaugural Governor's Cup, which brought together teams from all sub-counties and enhanced talent identification

A total of 8,992 youths benefited from digital access and skills training covering agribusiness, entrepreneurship, procurement, and content creation. The County hosted a Youth Talent Search Expo involving 492 participants in music, dance, poetry, and creative arts, aimed at nurturing emerging talent. Further, the County Youth Policy was finalized and is awaiting Cabinet approval to guide youth programming and investment.

The Port Victoria Social Hall was renovated, creating a functional space for community meetings and social activities. The Directorate of Children developed a County Children's Policy, which was approved by the County Assembly and officially launched in Matayos Sub-County, strengthening the legal and institutional framework for child protection and welfare.

The County led the 16 Days of Activism Against Gender-Based Violence (GBV) in Butula Sub-County, reaching over 1,000 participants. The Sexual and Gender-Based Violence (SGBV) Policy was officially launched at St. Catherine’s Special School. International Women’s Day celebrations held in Nambale attracted over 1,001 participants, while 117 cross-border women were trained on the African Union Agenda 2063, strengthening women’s empowerment and regional integration.

The Directorate identified and mapped key tourism attraction sites in Bunyala and Samia, developed marketing materials including documentaries, brochures, and a tourism guidebook, and supported community-based tourism initiatives such as the Bunyala–Yala site support group. The Department also hosted the Miss Tourism Beauty Pageant, annual boat racing competitions at Marenga and Bumbe beaches, and entered into a strategic partnership with Kenyatta International Convention Centre (KICC) to promote Meetings, Incentives, Conferences, Exhibitions, and Events (MICE) tourism in Busia County.

### **Medium-Term Strategic Priorities (FY 2026/2027 – 2028/29)**

Over the medium term, the Department will pursue the following strategic priorities to strengthen social inclusion, talent development, and local economic growth:

To promote and develop cultural activities, the Department will scale up cultural festivals, support artisans and creative industries, and operationalize cultural infrastructure to preserve heritage and promote cultural tourism.

To enhance access to child care, rights, and protection, focus will be placed on strengthening rehabilitation and custody services, functional child protection structures, social support systems, and child development and growth programmes.

To increase access to youth empowerment and development services, the Department will promote youth enterprises, expand digital and vocational skills training, and strengthen talent identification and mentorship programmes.

To promote and develop sports, priority will be given to sports talent development, community-based competitions, and investment in sports infrastructure to nurture excellence and healthy lifestyles.

To increase promotion and development of local tourism, the Department will enhance destination marketing, strengthen community-based tourism, and promote business and conference tourism to grow visitor numbers and local revenues.

To enhance gender equality and women empowerment, the Department will strengthen gender mainstreaming across county programmes, develop and operationalize gender-responsive policies, create awareness on gender equality, establish a GBV recovery and rescue centre, promote women empowerment initiatives, and develop a gender data management system.

To enhance access to social assistance for vulnerable groups, the Department will invest in social infrastructure, strengthen special programmes for PLWDs, older persons, and other vulnerable groups, enhance social development initiatives, and improve governance and coordination of social protection services.

The department has proposed an allocation of **Kshs. 133,748,972** in the FY 2026/2027 and over the medium term **kshs. 140,436,421** for FY 2027/28 and **kshs. 147,458,242** for FY 2028/29.

## **6. Transport, Roads and Public Works**

The Department is responsible for developing and maintaining the county's road network, transport systems, and public infrastructure to support economic growth, service delivery, employment, and overall welfare of residents. By ensuring reliable connectivity and functional public facilities, the department directly contributes to trade, mobility, productivity, and socio-economic development across Busia County.

Between FY 2022/23 and 2024/25, the department achieved significant results. 70 km of new roads were opened, and 786 km of existing roads were maintained. Roads were upgraded to bitumen and cabro standards, while essential culverts, ward offices, ECDE classrooms, and drainage systems were completed. The department also maintained road construction equipment, farm tractors, and boats, procured a utility boat, and repaired four others. In total, 500 projects were documented and implemented across roads, transport, and public infrastructure, enhancing accessibility and service delivery.

For FY 2026/27 and the medium-term, the department's strategic priorities focus on the expansion of the road network by upgrading and maintaining roads, constructing bridges and culverts, and installing road safety infrastructure to improve all-weather access, reduce transport costs, boost trade and mobility, diversifying transport infrastructure by developing waterways, constructing jetties, and acquiring motorboats to strengthen economic activity and county-wide connectivity.

The department has been allocated **Kshs. 459,322,134** for FY 2026/27, **Kshs 629,788,241** for FY 2027/28 and **Kshs. 701,277,653** for FY 2028/29.

## **7. Public Service Management**

The Department is mandated to ensure effective utilization and development of human resources, enhance compliance with public service laws and regulations, streamline and automate records management and provide efficient administrative and enforcement services to support quality service delivery.

The Department comprises four directorates: Human Resource Management, Public Administration, Communication and Security & Enforcement.

### **Key Achievements (FY 2024/2025)**

During the year under review, the Human Resource Management Directorate strengthened performance and workforce management through in-house training of CECMs, COs, and departmental performance champions on performance management and collective bargaining in collaboration with the Kenya School of Government (KSG). Monthly CHRMAC meetings were held to address staff welfare and HR issues, while a records management policy was formulated. The directorate also ensured timely procurement of staff medical cover, processing of payroll, staff personal numbers, cabinet briefs and effective handling of employee relations matters.

Under Public Administration, the Department fully operationalized sub-county, ward and village administrative units, strengthening coordination and decentralized service delivery. Public participation forums were structured and enhanced, leading to increased citizen engagement, particularly among women, youth and persons with disabilities. The directorate also coordinated disaster preparedness and response initiatives and strengthened compliance with the County Governments Act, 2012 through collaboration with development partners, CSOs, and community-based organizations.

The Communication Directorate enhanced information dissemination by producing and broadcasting documentaries, radio and TV programmes, magazines, brochures, and banners highlighting county achievements. The directorate also strengthened public engagement through talk shows, adoption of new technologies and capacity building of communication staff.

The Security and Enforcement Directorate strengthened enforcement of county laws, particularly the Finance Act, 2024, contributing to improved own-source revenue performance.

### **Strategic Priorities**

In the FY 2026/2027 and the medium term, the Department will focus on strengthening coordination and supervision of service delivery across county, sub-county, ward, and village levels to improve access and quality of public services. Priority will be given to enhancing human resource management systems through capacity building, automation of records and performance management to support an efficient and motivated workforce. The Department will also strengthen communication and public engagement to improve information

dissemination and transparency, while enhancing enforcement of county laws and policies to support compliance, public order, and revenue mobilization.

The department has proposed an allocation of **Kshs. 1,089,227,362** in the FY 2026/2027 and over the medium term **kshs. 1,143,688,730** for FY 2027/28 and **kshs. 1,200,873,167** FY 2028/29.

## **8. Lands, Housing and Urban Development**

The Department is responsible for land administration and management, surveying of public land, dispute resolution, physical planning and development control, housing maintenance and refurbishment, promotion of appropriate building technologies, and sustainable urban development and management.

The Department operates through the directorates of Lands, Survey, Physical Planning, Housing, and Urban Development.

### **Key Achievements (FY 2024/2025)**

During the period under review, the Department acquired 2.832 acres of land for public facilities including Totokakile, Apegei, Sigulu, and Mabale dispensaries, as well as Khusuna ECDE in Bunyala South Ward. These acquisitions strengthened security of tenure for public investments and improved access to social services.

### **Strategic Priorities**

The Department will prioritize strengthening physical planning and land use management through the development of a County Physical Planning and Development Framework, improved land administration and dispute resolution mechanisms. Emphasis will be placed on facilitating sustainable urban development by improving urban management systems, promoting orderly development and expanding urban infrastructure to support housing, service delivery, and economic growth.

The department has proposed an allocation of **Kshs. 82,025,376** in the FY 2026/2027 and over the medium term **kshs. 86,126,645** for FY 2027/28 and **kshs. 90,432,977** for Fy 2028/29.

## **9. Busia Municipality**

It was established under the Urban Areas and Cities Act. It covers Burumba, Angorom, and Mayenje wards. The Municipality is mandated to ensure effective urban development and management, promote environmental sustainability, industrialization, and support programmes targeting vulnerable group

### **Medium-Term Priorities**

In the FY 2026/2027 and the medium term, Busia Municipality will focus on effective and efficient urban development and management by investing in municipal infrastructure such as roads, drainage, markets, sanitation facilities, traffic management systems, and public lighting. The Municipality will also promote environmental management and industrialization, while strengthening programmes that cushion vulnerable groups and enhance inclusive urban growth. The department has proposed an allocation of **Kshs. 56,807,705** in the FY 2026/2027 and over the medium term kshs. **59,648,090** for FY 2027/28 and **kshs. 62,630,495** for FY 2028/29.

### **10. Malaba Municipality**

Malaba Municipality, covering Malaba North, Central, South, and Amukura West wards, is mandated to promote effective urban development, environmental management, industrialization and social protection for vulnerable groups.

#### **Medium-Term Priorities**

In the FY 2026/2027 and the Medium Term, it will prioritize strengthening urban infrastructure and service delivery to support its rapid population growth and strategic border-town role. Focus areas will include access roads, drainage, street lighting, markets, fire safety infrastructure and solid waste management. The Municipality will also promote environmental sustainability, industrial development and targeted social protection programmes for vulnerable populations.

The department has proposed an allocation of **Kshs. 32,628,673** in the FY 2026/2027 and over the medium term **kshs. 34,260,107** for FY 2027/28 and **kshs. 35,973,112** for FY 2028/29.

### **11. Water, Environment, Irrigation, Natural Resources and Climate Change**

The Department is mandated to ensure sustainable provision of water services, environmental conservation, irrigation development, natural resource management, climate change adaptation and mitigation, and promotion of renewable energy to improve livelihoods and environmental sustainability.

The Department operates through six directorates: Water, Irrigation, Environment, Natural Resources, Climate Change, and Energy.

## **Key Achievements**

The Department expanded water infrastructure through pipeline extensions, development of water storage facilities, drilling and solarization of boreholes, and metering to reduce non-revenue water, benefiting over 17,000 households. The County Water and Sanitation Policy was developed to strengthen governance of water resources.

Irrigation achievements included rehabilitation of the Ludacho smallholder irrigation scheme and establishment of a demonstration irrigation scheme at ATC. The Climate Change Directorate developed the County Climate Change Action Plan, implemented lightning arrestor installations, and initiated FLLOCA-supported projects across sectors. Environmental conservation efforts included establishment of tree nurseries, tree planting, and expansion of rural electrification through partnerships.

## **Strategic Priorities**

The Department will focus on expanding access to clean and safe water through strengthened water infrastructure, improved governance, enhanced water quality management, and sustainable operation and maintenance systems. Priority will also be given to environmental conservation through afforestation, pollution control, watershed protection, and community awareness. The Department will enhance irrigation development to support agricultural productivity, strengthen climate change mitigation and adaptation through resilient infrastructure and community capacity building, promote renewable energy adoption, expand rural electrification, and ensure sustainable management of natural resources.

The department has proposed an allocation of **Kshs. 521,982,263** in the FY 2026/2027 and over the medium term **kshs. 548,081,376** for FY 2027/28 and **kshs. 575,485,445** for FY 2028/29.

## **12. Health Services and Sanitation**

The Department is responsible for delivering quality, accessible, and equitable healthcare across Busia County. Its mandate is implemented through three programmes: Curative and Rehabilitative Health Services, Preventive and Promotive Health Services, and General Administration and Support Services. The Department provides primary healthcare, clinical and diagnostic services, nursing, rehabilitative care, health education, disease prevention, maternal and child health services, nutrition programs, and essential medicines. It also ensures effective governance, human resource management, and policy implementation to support

service delivery. Collectively, these functions contribute to improved health outcomes, enhanced productivity, poverty reduction, and overall welfare of county residents.

### **Key Achievements (FY 2022/23 – FY 2024/25)**

In the FY 2022/23 and the MTEF period, the Department has made significant progress in expanding access to quality healthcare and strengthening service delivery. Key achievements include:

- **Health Infrastructure and Equipment:** Completion and commissioning of major laboratory and diagnostic equipment in all Level IV hospitals, installation of standby generators, refurbishment of hospitals and maternity units, and construction of gender-sensitive sanitation blocks.
- **Preventive Health Services:** Operationalization of 4 Primary Care Networks (PCNs), deployment of Community Health Promoters, distribution of over 292,000 long-lasting insecticide-treated nets, and immunization and HIV/TB service coverage meeting set targets.
- **Health System Strengthening:** Over 195,000 residents enrolled under SHIF, functional blood transfusion services established, and operational M&E unit at county level.
- **Service Expansion:** Establishment of physiotherapy and corrective therapy clinics, functional palliative care units, and enhanced diagnostic and laboratory services across the county.
- **Lower-Level Facilities:** Equipping of 81 lower-level facilities with essential equipment, operationalization of new health facilities, and completion of staff housing and fencing at multiple sites.

### **Strategic Priorities for FY 2026/2027 and Medium Term**

In the FY 2026/2027 and the Medium Term, the Department will focus on three interconnected strategic priorities to improve health outcomes and service delivery.

First, the Department aims to strengthen curative and rehabilitative health services by completing stalled projects and modernizing Tier 3 facilities. This includes operationalizing a Level 5 referral hospital, upgrading diagnostic and theatre equipment, and ensuring functional maternity and specialized care units. These interventions will enhance access to advanced healthcare, reduce the need for referrals outside the county, and generate employment during construction and operational phases.

Second, the Department will scale up preventive and promotive health services to reduce the burden of disease and improve population health. This will be achieved by expanding Primary Care Networks and deploying additional Community Health Promoters, enhancing RMNCAH coverage, and implementing targeted programs for HIV/AIDS, TB, malaria, and nutrition. These interventions are expected to reduce preventable illnesses, improve maternal and child health outcomes, increase productivity, and support school attendance, particularly for girls. Third, the Department will enhance governance and support services to ensure uninterrupted and equitable healthcare delivery. Key interventions include fully operationalizing the Facility Improvement Financing (FIF), ensuring continuous availability of essential medicines, and strengthening logistical and transport support across all facilities. These measures will improve the reliability of healthcare services, protect households from out-of-pocket expenses, and promote equity in access to health services across the county.

#### **IV. Resource Allocation**

The department has proposed an allocation of **Kshs. 2,791,188,121** in the FY 2026/2027 and over the medium term **kshs. 2,930,747,527** for FY 2027/28 and **kshs. 3,077,284,903** for FY 2028/29.

### **13. County Public Service Board**

The department is mandated to establish public offices, appoint and confirm persons to offices, promote public service values and principles, facilitate the development of human resource, exercise disciplinary control and prepare regular reports.

Over the medium term, the department strengthened institutional capacity and governance through targeted human resource and performance management reforms. Key achievements included the recruitment and deployment of critical staff across the county, notably audit personnel to enhance accountability, health workers to improve service delivery, and directors and deputy directors across all departments to strengthen leadership and coordination. The department also successfully coordinated the recruitment and deployment of County Chief Officers, ensuring effective oversight and operational continuity in service delivery.

In addition, the department prepared and finalized the Annual Performance Report for FY 2023, providing a comprehensive assessment of departmental outputs and outcomes. Human resource

governance was further enhanced through the validation of Human Resource Policies and the development and implementation of a Performance Management Policy, establishing a structured framework for staff accountability, performance monitoring, and continuous improvement across the county public service

The department will prioritize management of the bloated wage bill, the developing strict hiring policies, recruitment of essential technical and service delivery roles and introduction of performance-based remuneration models to enhance productivity and efficiency.

The department has proposed an allocation of **Kshs. 70,936,858** in the FY 2026/2027 and over the medium term **kshs. 74,483,701** for FY 2027/28 and **kshs. 78,207,886** for FY 2028/29.

## **14. The Governorship**

Comprised of the Office of the Governor, Deputy Governor, and County Secretary, provides policy leadership, coordination of service delivery, disaster management and linkage between the County Executive and other institutions.

### **Key Achievements**

The Directorate of Disaster Management installed 10 high-mast lightning arrestors in disaster-prone areas, strengthened fire compliance inspections, rehabilitated the Southern Dyke in collaboration with the National Government, completed Phase I of the Disaster Management Centre at Funyula and coordinated relief support to disaster-affected communities. The Disaster Risk Management Policy was finalized and approved by Cabinet.

The Directorate of Service Delivery developed a county-wide project tracking dashboard in collaboration with KDSP, enhancing transparency, citizen feedback, and monitoring of project implementation.

### **Strategic Priorities**

In the FY 2026/2027 and the medium term, the Department will prioritize strengthening service delivery coordination across departments to ensure timely, responsive and citizen-centered services. It will focus on enhancing disaster preparedness, mitigation and response to reduce vulnerability and improve resilience to shocks.

The department has proposed an allocation of **Kshs. 376,971,664** in the FY 2026/2027 and over the medium term **kshs. 395,820,247** for FY 2027/28 and **kshs. 415,611,259** for FY 2028/29.

## **15. County Law Office**

The County Law Office provides legal advisory services, legislative drafting, litigation management, legal audits, and coordination of gazettelement and publication of laws to ensure legal compliance across county departments.

### **Key Achievements**

During FY 2024/2025, the Office developed and reviewed legislation and policies, strengthened alignment with national laws, collaborated with the County Assembly on enactment of laws and partnered with justice-sector stakeholders and international partners to build institutional capacity.

### **Strategic Priorities**

In the FY 2026/2027 and the medium term, the department will prioritize strengthening legal advisory services, legislative drafting and law review to ensure county laws and policies remain responsive, compliant, and aligned with national legislation. Focus will be placed on improving litigation management, legal risk mitigation, legal audits and embrace collaboration with the County Assembly and other stakeholders.

The department has proposed an allocation of **Kshs. 66,061,595** in the FY 2026/2027 and over the medium term **kshs. 69,364,675** for FY 2027/28 and **kshs. 72,832,908** for FY 2028/29.

## **16. Strategic Partnerships, ICT and Digital Economy**

The Department is mandated to ensure formulation of policies and laws that will facilitate effective delivery of strategic partnerships, mobilization of financial, technical and material resources, promotion of digital economy, improvement of digital economy space and improvement of ICT systems and agencies to facilitate sustainable development in Busia County.

### **Key Achievements (FY 2022/23–2024/25)**

Through the directorate of Strategic Partnerships, the Department negotiated and signed twelve MOUs with development partners to support county development priorities. The completed MOUs include partnerships with UN-Habitat, the Kenya Red Cross Society, Alupe University, Yamaha Motor Corporation, Dhamira Moja CBO, Stanbic Bank, Watertree Foundation, Sightsavers, Equity Foundation, and Community Empowerment Development Centre.

The directorate also supported development of key county policies.

The ICT directorate automated approximately 70% of own-source revenue collection across all departments, contributing to improved efficiency, transparency, and revenue administration.

The directorate also migrated critical systems to national cloud infrastructure, refurbished two ICT hubs, and conducted county-wide ICT gap analysis.

### **Strategic Priorities**

In the FY 2026/2027 and the medium term, the Department will focus on strengthening strategic partnerships and resource mobilization to leverage external financing and technical support for county programmes. Priority will be given to expanding ICT infrastructure, automating county systems and promoting digital government to improve efficiency, transparency, and service delivery. The Department will also promote digital inclusion, innovation, and the digital economy by supporting ICT hubs, e-commerce platforms, data management systems, and citizen access to digital services.

The department has proposed an allocation of **Kshs. 124,674 480** in the FY 2026/2027 and over the medium term **kshs. 130,908,204** for FY 2027/28 and **kshs. 137,453,614** for FY 2028/29.

## **17. County Assembly**

The County Assembly core functions are to develop legislation, perform oversight and representation. It is more committed to building an effective county assembly that is responsive to the needs of the people that is driven by the ideal of realizing better quality life for the people of Busia County.

In collaboration with Executive the County Assembly has continued to draft and pass into law various policies and legislation that has accelerated development and improved the livelihood of the people. It has exercised oversight role to the County Executive through summons to county Officers to appear before the Committees of the assembly and by requesting of information from various departments.

### **Key Achievements**

During the **FY 2022-23 and 2023-2024** the county assembly was able to undertake the following projects:

1. Purchase of 34 parcels of land for construction of ward offices
2. Erection of electric fence at the speaker's official residence, and

3. Landscaping at the speaker's official residence.
4. Installation of E parliament phase 1

### **Strategic priorities for FY 2026-2027 and the medium term**

The county assembly strategic priorities for FY 2026-2027 and the medium term is to strengthen legislation, representation and oversight. These priorities are drawn from the three mandates of the county assembly.

The strategic interventions include;

- i. Strengthening the capacity of Members and technical staff to exercise their mandate of legislation, oversight and representation through training
- ii. Create and strengthen mechanisms of stakeholder linkages and engagements eg through public participation activities
- iii. Improve county assembly infrastructure which include construction of ward offices, completion of installation of E parliament phase III and IV, Completion of the speaker's official residence and renovation of buildings

### **Resource allocation for the department for the FY 2026/2027 and over the medium term.**

The department has proposed an allocation of **Kshs. 899,598,045** in the FY 2026/2027 and over the medium term **kshs. 944,577,947** for FY 2027/28 and **kshs. 991,806,845** for FY 2028/29.

### **Adherence to fiscal responsibility principles**

1. In line with Article 201 of the constitution 2010 and section 107 of the PFM Act 2012 the County Government has adhered to the fiscal responsibility principles as outlined below:
  - I. **The County government's recurrent expenditure shall not exceed the County government's total revenue;** The County Government has always prepared and implemented a balanced budget with a maximum of 70 percent allocated to recurrent expenditure while a minimum of 30 percent allocated to development expenditure. In the Financial Year 2026-2027 the County has projected an allocation of **70 percent** on recurrent expenditure and **30 percent** on development expenditure.
  - II. **Over the medium term a minimum of thirty percent of the County government's budget shall be allocated to the development expenditure;** Over the medium term the County Government has maintained a minimum of 30 percent on development

budget. In the FY 2026/2027 the County projects **30 percent** on development expenditure.

- III. The County government’s expenditure on wages and benefits for its public officers shall not exceed a percentage of the County government’s total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;** In line with section 25(1) (b) of the PFM (County Governments) regulations 2015, County Governments are required not to exceed 35 percent of their total revenue on wages and benefits. In the FY 2026/2027 the County Government wage bill is projected at **47 percent** which was higher than the stipulated 35 percent. To manage the bloated wage bill the County will implement strict hiring policies, prioritize recruitment of essential technical and service delivery roles and introduction of performance-based remuneration models to enhance productivity and efficiency.
- IV. Over the medium term, the government’s borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;** Over time the County Government has been implementing a balanced budget. In the long run if and when the County incorporates borrowings/public debt in its budget then it shall be used only for capital expenditure.
- V. The County debt shall be maintained at a sustainable level as approved by County assembly;** The County Government has put measures to ensure realistic projections and subsequent collection of own source revenues which include automation of revenue streams. This will ensure implementation of a balanced budget hence reducing recurring pending bills. In addition to strengthening contracting and procurement oversight to avoid unnecessary expenditures and prevent further accumulation of debt.
- VI. The fiscal risks shall be managed prudently;** The County Government has put forth measures to increase own source revenue collection such as revenue automation and increasing revenue streams and ensure focus on priority programs.
- VII. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained,** taking into account any tax reforms that may be made in the future. The County Government through preparation of the Finance Act ensured charges, fees and levies are prudently imposed and are in line with the statutory laws.

## **Alignment of CFSP to National Objectives**

In compliance with Section 117(2) of the Public Finance Management Act, 2012, the County Government has adopted a programme-based prioritization framework that ensures all departmental priorities, programmes, and interventions are fully aligned to national development objectives as set out in the Budget Policy Statement (BPS) 2026 and the Bottom-Up Economic Transformation Agenda (BETA). Resource allocation has been guided by national priorities, the County Integrated Development Plan (CIDP), Vision 2030, and Medium-Term Plan IV, while prioritizing completion of ongoing projects and settlement of pending bills.

Agricultural Transformation and Inclusive Growth, a core pillar of BETA, is addressed through substantial investments in agriculture, livestock, fisheries, irrigation, water, and climate resilience. Programmes under Smart Agriculture, Agribusiness, Fisheries and Blue Economy, Irrigation Development, and Climate Change Adaptation focus on increasing productivity, strengthening value chains, promoting food and nutrition security, expanding farm incomes, and enhancing resilience among smallholder farmers, women, and youth.

The MSMEs Economy pillar is implemented through targeted interventions in trade, cooperatives, industrialization, markets development, youth enterprise support and vocational skills training. Investments in market infrastructure, industrial parks, EPZs, cooperative financing, MSME capacity building and skills development are aimed at stimulating entrepreneurship, value addition, job creation, and inclusive economic growth at the grassroots level.

In alignment with the Housing and Settlement priority, the County is strengthening land administration, physical planning and sustainable urban development, including investments in municipal infrastructure within Busia and Malaba municipalities. These interventions support orderly urbanization and enhanced access to basic services.

The Digital Superhighway agenda is mainstreamed across departments through expanded ICT infrastructure, revenue automation, e-procurement, health information systems, and ICT-enabled service delivery. Strategic investments in digital platforms enhance efficiency, transparency, accountability and citizen access to government services.

The Creative Industry pillar is advanced through investments in youth empowerment, sports, culture, tourism, creative arts and digital skills, including cultural infrastructure, talent

development programmes, creative industry expos, sports competitions and support to artisans and content creators. These initiatives promote cultural heritage, generate income opportunities, and expand employment for youth and creative entrepreneurs.

## **IV. BUDGET FRAMEWORK FOR FY 2026/27 AND THE MEDIUM TERM**

### **Revenue Projections**

Equitable share is projected at **Kshs 8.05 billion** as per the draft BPS 2026 while the conditional grants has been projected at **Kshs 936 million** with anticipation of adjustments which will be guided by County Allocation of Revenue Act 2026 and County Government Additional Allocation Act 2026.

On the other hand, Own source revenue performance projected at **Kshs. 804 million** will be supported by ongoing reforms within the directorate of revenue and with the presence of Facility improvement financing in place to support health facilities we anticipate a steady growth in own source revenue.

The FY 2026/2027 revenue projections are shown below.

Table 7: Revenue Projection for the FY 2025/2026 and the MTEF

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Administrative Services</b>	<b>3,730,000</b>	<b>3,133,500</b>	<b>3,373,535</b>	<b>380,100</b>	<b>4,140,750</b>	<b>11,504,805</b>	<b>6,347,788</b>	<b>17,971,505</b>	<b>19,768,655</b>	<b>21,745,520</b>
<b>Fire Safety</b>	2,870,000	2,986,500	2,720,080	322,000	3,336,200	11,004,805	4,503,010	3,836,630	4,220,293	4,642,322
<b>Payroll products</b>								13,209,642	14,530,606	15,983,667
<b>Impounding/Clamp. Fees</b>	860,000	147,000	653,455	58,100	804,550	500,000	1,844,778	925,233	1,017,756	1,119,531
<b>Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness</b>	<b>72,727,825</b>	<b>66,381,310</b>	<b>115,350,776</b>	<b>30,436,333</b>	<b>60,542,974</b>	<b>77,827,240</b>	<b>82,570,123</b>	<b>79,627,889</b>	<b>87,590,678</b>	<b>96,349,746</b>
<b>Sugar Cane Cess</b>	18,000,000	15,310,287	20,359,000	10,441,618	20,231,103	20,000,000	26,242,658	22,254,213	24,479,635	26,927,598
<b>Transit Produce Cess</b>	32,000,000	37,243,969	30,674,240	12,476,420	24,812,145	30,674,240	31,052,752	27,293,360	30,022,695	33,024,965
<b>Tobacco Cess</b>	2,500,000	1,121,281	999,182	1,701,980	1,701,980	2,500,000	3,787,079	1,701,980	1,872,178	2,059,396
<b>Fish Cess</b>	1,236,350	934,589	1,005,147	274,420	714,430	1,200,000	750,152	821,595	903,754	994,129
<b>Tractor Hire Services</b>	1,200,000	1,698,255	50,000,000	1,312,270	4,494,295	8,000,000	6,719,010	5,168,439	5,685,283	6,253,811
<b>Agriculture Training Centre</b>	3,800,000	1,523,575	1,038,241	945,770	1,426,080	3,500,000	2,497,384	3,565,200	3,921,720	4,313,892
<b>Veterinary Services</b>	4,121,362	3,045,836	2,427,800	1,429,745	3,269,575	4,782,200	5,433,054	8,173,938	8,991,331	9,890,464
<b>Stock Sale</b>	4,500,000	3,841,588	3,993,209	1,544,660	3,022,430	4,400,000	5,173,552	7,556,075	8,311,683	9,142,851
<b>Fish Traders License</b>	409,319	422,800	130,020	7,300	177,400	230,000	186,270	443,500	487,850	536,635
<b>Fish Movement Permit</b>	160,669	261,240	120,450	64,350	109,350	125,000	114,818	273,375	300,713	330,784
<b>Livestock movement permit</b>	198,000	-	217,800			217,800	-	-	-	-
<b>Vaccination</b>	550,000	-	605,000				-	-	-	-
<b>Artificial Insemination</b>	77,000	-	84,700				-	-	-	-
<b>Slaughter premise licenses</b>	55,000	-	505,615	154,150		600,000	-	915,750	1,007,325	1,108,058
<b>Meat Carrier License</b>	66,000	-	72,600				-	-	-	-
<b>Meat inspection fees( Bovine, pigs, sheep and goats)</b>	1,870,000	-	2,057,000				-	-	-	-
<b>Reg. Of Boats License</b>	176,584	207,200	34,540	8,050	155,050	100,000	162,803	387,625	426,388	469,026
<b>Fisherman's License</b>	498,537	625,700	84,700	600	175,700	85,000	184,485	439,250	483,175	531,493
<b>Fish Import Permit</b>	261,004	81,540	41,404	28,700	126,836	300,000	133,178	317,090	348,799	383,679

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Wakungu Fish Farm	100,000	-	110,000	7,000	-	1,000,000	-	-	-	-
Cage Licensing	332,000	45,450	112,530	39,300	119,600	113,000	125,580	299,000	328,900	361,790
Fingerlings Sale					7,000		7,350	17,500	19,250	21,175
Certificate of Transport	462,000	-	508,200				-	-	-	-
Automation for licenses for Agro-dealers	154,000	18,000	169,400				-	-	-	-
<b>Youth, Sports, Culture, Gender, Creative Arts and Social Services</b>	<b>430,850</b>	<b>193,850</b>	<b>311,600</b>	<b>205,790</b>	<b>242,070</b>	<b>350,000</b>	<b>334,174</b>	<b>343,059</b>	<b>377,365</b>	<b>415,101</b>
Hire Of Hall / Office	80,850	66,500	61,600	23,500	47,910	100,000	100,306	119,775	131,753	144,928
Hire of Busia County Stadium	100,000	-	-				-	-	-	-
Registration/ Renewal of SHGs, CBOs, Women groups and Youth groups	200,000	127,350	200,000	182,290	194,160	250,000	233,868	223,284	245,612	270,174
Community Cultural Centres	50,000	-	50,000		-		-	-	-	-
<b>Lands, Housing And Urban Development</b>	<b>149,148,022</b>	<b>30,931,578</b>	<b>107,062,756</b>	<b>6,716,462</b>	<b>37,299,158</b>	<b>123,093,317</b>	<b>50,164,116</b>	<b>78,224,266</b>	<b>86,046,693</b>	<b>94,651,362</b>
Plot Rent	1,808,442	1,102,755	1,989,286	1,033,865	2,975,341	1,842,369	4,124,108	7,438,353	8,182,188	9,000,407
Plot Rent Arrears	6,626,027	315,154	913,022	-	-	2,000,000	-	-	-	-
Cilor(Contributions in lieu of rates) Arrears			10,000,000	-		9,708,510	-	-	-	-
Cilor			7,200,000	588,320	544,500	7,200,000	571,725	2,994,750	3,294,225	3,623,648
Rent/Gov Houses	11,858,894	5,757,658	4,963,022		1,868,737	3,000,000	2,962,174	6,540,580	7,194,637	7,914,101
Land Rates	40,627,221	1,826,773	30,456,078	1,277,030	6,396,829	9,000,000	7,716,670	24,307,950	26,738,745	29,412,620
Land Rates (Arrears)	40,227,438	602,260	28,250,182		354,727	65,227,438	372,463	5,320,905	5,852,996	6,438,295
Application Of Plans	-	455,500	3,000,000	36,000	68,000	565,000	71,400	78,200	86,020	94,622
Building Plans Approval	32,000,000	2,062,150	5,420,378	1,456,000	2,390,500	4,500,000	3,510,025	4,302,900	4,733,190	5,206,509
Solid Waste	-	-	-				-	-	-	-
advertisement	15,000,000	18,809,328	13,770,788	2,325,247	22,700,524	20,000,000	30,835,550	27,240,629	29,964,692	32,961,161
Animal Control and Welfare	1,000,000	-	1,100,000			50,000	-	-	-	-

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Transport, Roads and Public Works</b>	<b>48,892,740</b>	<b>29,656,377</b>	<b>43,084,226</b>	<b>11,830,000</b>	<b>27,796,430</b>	<b>40,022,015</b>	<b>38,186,252</b>	<b>46,141,796</b>	<b>50,755,976</b>	<b>55,831,573</b>
Trailer Parking Fees	6,738,639	3,496,240	5,715,438	1,515,460	3,090,620	4,245,864	5,245,151	3,554,213	3,909,634	4,300,598
Reserved Parking	5,000,000	5,684,033	3,449,996	1,097,060	6,211,250	6,252,436	8,521,813	9,316,875	10,248,563	11,273,419
Bus Parking Fees	30,562,001	20,428,604	33,700,992	9,217,480	18,464,560	25,471,464	24,387,788	33,236,208	36,559,829	40,215,812
Machine Hire	6,592,100	47,500	217,800		30,000	4,052,250	31,500	34,500	37,950	41,745
<b>Water, Environment, Irrigation, Natural Resources and Climate Change</b>	<b>16,061,793</b>	<b>8,585,843</b>	<b>12,459,150</b>	<b>3,121,077</b>	<b>8,994,318</b>	<b>14,274,200</b>	<b>12,644,034</b>	<b>10,343,466</b>	<b>11,377,812</b>	<b>12,515,593</b>
Solid Waste	1,760,660	2,984,260	2,888,017	493,000	3,424,000	3,000,000	4,595,200	3,937,600	4,331,360	4,764,496
Sand Cess	2,206,690	3,494,780	1,336,335	1,361,580	3,032,180	5,000,000	4,183,789	3,487,007	3,835,708	4,219,278
Busia Hills Water Supply	1,724,673	338,275	524,625	329,481	598,904	524,625	928,849	688,740	757,614	833,375
Busijo Water Supply	1,114,760	144,430	234,185	105,280	177,405	234,185	186,275	204,016	224,417	246,859
Alema Water Supply	86,434	-	95,077		-	95,077	-	-	-	-
Munana Water Supply	1,194,368	119,725	668,726	57,255	158,715	668,726	166,651	182,522	200,774	220,852
Butula Water Supply	1,340,760	543,484	734,428	217,967	658,740	734,428	1,191,677	757,551	833,306	916,637
Port Victoria Water Supply	2,296,057	615,689	1,598,969	419,814	744,374	1,598,969	1,081,593	856,030	941,633	1,035,796
Drilling Rig	3,433,277	-	3,776,605		-	1,776,605	-	-	-	-
Noise	432,867	345,200	394,020	136,700	200,000	433,422	310,000	230,000	253,000	278,300
Water Bowser	471,247	-	208,164		-	208,164	-	-	-	-
<b>Trade, Investment, Industrialization, Co-operatives, Small and Micro Enterprises (SME)</b>	<b>85,477,923</b>	<b>93,948,753</b>	<b>119,950,893</b>	<b>21,153,168</b>	<b>100,101,550</b>	<b>132,700,000</b>	<b>114,259,797</b>	<b>128,854,301</b>	<b>141,739,731</b>	<b>155,913,704</b>
Liquor License	3,540,000	3,000,000	5,488,300	600,000	1,500,000	10,000,000	1,575,000	1,725,000	1,897,500	2,087,250
Single Business Permit	62,864,888	73,608,301	83,488,130	13,298,611	74,130,520	100,000,000	81,990,215	100,817,507	110,899,258	121,989,184
Market Stall / Kiosk	757,640	572,970	823,251	150,900	813,975	1,000,000	854,674	936,071	1,029,678	1,132,646
Charcoal Fees	16,307,094	-	937,804				-	-	-	-
Markets Fees	400,000	12,756,274	28,747,659	5,821,280	12,529,940	20,000,000	15,156,437	25,238,780	27,762,658	30,538,924
Weights & Measures	300,000	163,000	330,000	38,000	38,000	300,000	39,900	43,700	48,070	52,877

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Co-Operatives Audit Fees	1,308,301	108,520	48,983	31,500	66,080	1,400,000	69,384	75,992	83,591	91,950
Other Miscellaneous	-	3,739,688	86,766	1,212,877	11,023,035		14,574,187	17,250	18,975	20,873
Local Own Source Revenue	376,469,152	232,831,211	401,592,935	73,842,929	506,668,697	399,771,576	304,506,282	361,506,281	397,656,909	437,422,600
Health Services and Sanitation	272,546,481	136,372,764	245,414,061	5,048,391	267,551,447	307,495,850	327,495,850	443,475,418	487,822,960	536,605,256
Mortuary Fees(Facilities)	7,543,767	2,074,870	5,544,314	-	5,148,650	8,316,472	6,406,083	8,769,814	9,646,795	10,611,475
Slaughter Fees	498,537	234,520	548,391	548,391	366,300	-	-	-	-	-
Public Health	4,500,000	4,355,900	4,500,000	4,500,000	5,763,800	4,791,490	-	8,013,800	8,815,180	9,696,698
Hospital User Fees-(Facilities)	161,804,177	39,929,474	152,395,498	-	112,230,901	123,982,198	138,745,882	160,657,283	176,723,011	194,395,312
SHA(Facilities)	98,200,000	89,778,000	82,425,858	-	144,041,796	170,405,690	182,343,886	266,034,521	292,637,973	321,901,770
Busia County Referral Hospital			95,489,398	-	102,696,128	108,073,317	119,234,370	160,417,146	176,458,861	194,104,747
Mortuary Fees			1,563,058		2,195,050	2,344,587	2,304,803	3,335,861	3,669,447	4,036,392
Hospital User Fees-SHA			68,803,435		33,522,739	55,482,920	46,602,312	73,870,027	81,257,030	89,382,733
			25,122,905		66,978,339	50,245,810	70,327,256	83,211,258	91,532,384	100,685,622
Khunyangu Sub County Hospital			19,366,568	-	18,621,714	27,582,899	25,552,800	31,250,114	34,375,125	37,812,638
Hospital User Fees-SHA			7,956,728		9,228,709	6,763,219	12,690,144	14,263,486	15,689,835	17,258,818
			11,409,840		9,393,005	20,819,680	12,862,655	16,986,628	18,685,291	20,553,820
Nambale Sub County Hospital			13,918,095	-	12,265,334	19,741,480	17,878,601	21,000,436	23,100,480	25,410,528
Hospital User Fees-SHA			6,169,313		5,590,921	5,243,916	7,870,467	9,634,647	10,598,112	11,657,923
			7,748,782		6,674,413	14,497,564	10,008,134	11,365,789	12,502,368	13,752,605
Alupe Sub County Hospital			13,979,195	-	14,351,394	20,861,007	20,068,964	23,241,956	25,566,152	28,122,767
Mortuary Fees			571,951		73,600	857,927	77,280	381,436	419,580	461,538

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Hospital User Fees-SHA			4,618,616		3,889,239	3,925,824	4,083,701	6,714,089	7,385,498	8,124,048
			8,788,628		10,388,555	16,077,256	15,907,983	16,146,431	17,761,074	19,537,182
								-	-	
<b>Teso North Sub County Hospital</b>			<b>15,773,704</b>	<b>-</b>	<b>21,753,720</b>	<b>21,463,254</b>	<b>29,841,406</b>	<b>32,349,175</b>	<b>35,584,093</b>	<b>39,142,502</b>
Mortuary Fees			1,931,511		1,533,700	2,897,267	2,610,385	2,754,606	3,030,067	3,333,073
Hospital User Fees-SHA			6,189,912		6,157,296	5,261,425	8,465,161	10,300,481	11,330,529	12,463,582
			7,652,281		14,062,724	13,304,562	18,765,860	19,294,088	21,223,497	23,345,846
								-	-	
<b>Sio Port Sub County Hospital</b>			<b>7,860,761</b>	<b>-</b>	<b>8,664,462</b>	<b>11,610,613</b>	<b>9,097,685</b>	<b>13,911,874</b>	<b>15,303,061</b>	<b>16,833,368</b>
Hospital User Fees-SHA			3,139,921		2,696,469	2,668,933	2,831,292	4,523,382	4,975,720	5,473,292
			4,720,840		5,967,993	8,941,680	6,266,393	9,388,492	10,327,341	11,360,075
								-	-	
<b>Port Victoria Sub County Hospital</b>			<b>22,519,432</b>	<b>-</b>	<b>20,504,309</b>	<b>37,032,053</b>	<b>21,529,524</b>	<b>35,256,863</b>	<b>38,782,549</b>	<b>42,660,804</b>
Mortuary Fees			1,477,794		1,346,300	2,216,691	1,413,615	2,297,911	2,527,702	2,780,472
Hospital User Fees-SHA			4,059,056		3,616,478	3,450,198	3,797,302	6,110,204	6,721,224	7,393,347
			16,982,582		15,541,531	31,365,164	16,318,608	26,848,748	29,533,623	32,486,985
<b>Matayos Sub County Hospital</b>			<b>4,390,423</b>	<b>-</b>	<b>3,676,902</b>	<b>3,731,860</b>	<b>3,860,747</b>	<b>6,059,333</b>	<b>6,665,266</b>	<b>7,331,793</b>
Hospital User Fees-SHA			4,390,423		1,324,929	3,591,860	1,391,175	3,638,557	4,002,413	4,402,654
					2,351,973	140,000	2,469,572	2,420,776	2,662,854	2,929,139
<b>Amukura Sub County Hospital</b>			<b>4,390,423</b>		<b>5,780,528</b>	<b>3,731,860</b>	<b>6,069,554</b>	<b>8,443,135</b>	<b>9,287,449</b>	<b>10,216,193</b>
Hospital User Fees-SHA			4,390,423		2,991,411	2,895,362	3,140,982	5,273,792	5,801,171	6,381,288
					2,789,117	836,498	2,928,573	3,169,343	3,486,277	3,834,905
<b>Bumala B Sub County Hospital</b>			<b>4,390,423</b>		<b>4,856,624</b>	<b>3,731,860</b>	<b>6,099,455</b>	<b>7,396,119</b>	<b>8,135,731</b>	<b>8,949,304</b>
Hospital User Fees-SHA			4,390,423		3,071,061	3,139,630	3,724,614	5,341,361	5,875,497	6,463,047
					1,785,563	592,230	2,374,841	2,054,758	2,260,234	2,486,257
<b>Mukhobola Sub County Hospital</b>			<b>4,390,423</b>		<b>2,982,144</b>	<b>3,731,860</b>	<b>4,131,251</b>	<b>5,612,684</b>	<b>6,173,952</b>	<b>6,791,348</b>

Revenue Sources	2nd Revised Budget Estimates	Actual Receipts	Budget Estimates	First Half Performance	Actual Receipts	Approved Revenue Estimates	CBROP Projections	proposed CFSP Revenue Projections	Projection	
	FY 2023-2024	FY 2023-2024	FY 2024-2025	FY 2024-2025	FY 2024-2025	FY 2025-2026	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Hospital User Fees-SHA			4,390,423		742,319	2,874,601	779,435	2,983,196	3,281,516	3,609,667
Angurai Sub County Hospital			4,390,423		2,239,825	857,259	3,351,816	2,629,488	2,892,437	3,181,680
Hospital User Fees-SHA			4,390,423		794,147	3,649,436	1,333,854	3,015,398	3,316,938	3,648,632
Lupida Sub County Hospital			4,390,423		1,597,864	82,424	2,677,757	1,075,299	1,182,829	1,301,112
Hospital User Fees-SHA			4,390,423		2,638,501	3,686,297	4,270,426	4,988,663	5,487,529	6,036,282
Health Centres - 18No			25,115,979	-	35,966,682	21,348,582	37,765,016	48,524,671	53,377,138	58,714,852
Hospital User Fees-SHA			25,115,979		35,966,682	21,348,582	37,765,016	10,000,000	11,000,000	12,100,000
Dispensaries						12,600,000	12,600,000	28,627,148	31,489,863	34,638,849
SHA						12,600,000	12,600,000	28,627,148	31,489,863	34,638,849
Appropriation in Aid	245,284,949	136,138,244	204,744,506	5,048,391	267,185,147	307,495,850	327,495,850	443,475,418	487,822,960	536,605,256
Total Own Source Revenue	649,015,633	369,203,975	647,006,996	78,891,320	506,668,697	707,267,427	632,002,132	804,981,699	885,479,869	974,027,856
National Government:										
Equitable Share.	7,475,585,295	6,877,538,472	7,764,601,080	2,648,547,956	7,514,935,582	7,862,026,089	7,862,026,089	8,052,092,605	8,213,134,457	8,377,397,146
Conditional Grants	662,529,604	469,449,413	902,110,048	-	298,939,201	936,651,545	936,651,545	936,651,545	936,651,545	936,651,545
Grand Total Revenue	<u>10,203,033,156</u>	<u>9,132,094,484</u>	<u>9,313,718,124</u>	<u>2,727,439,276</u>	<u>9,901,120,862</u>	<u>10,037,752,683</u>	<u>9,430,679,766</u>	<u>9,793,725,849</u>	<u>10,035,265,871</u>	<u>10,288,076,547</u>

## Expenditure ceilings

This section presents the FY 2026/2027 departmental ceilings and MTEF projections

Table 8: Medium Term Departmental Ceilings, 2026/2027-2028/2029

Vote Title	Economic Classification	Approved Ceilings	Approved Budget	CBROP Proposed Ceilings (kshs)	Proposed CFSP Ceilings	Projection	Projection
		FY 2025/2026 Kshs.	FY 2025/2026 Kshs.	FY 2026/2027 Kshs.	FY 2026/2027 Kshs.	FY 2027/2028 Kshs.	FY 2028/2029 Kshs.
Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness	Employee Compensation	216,007,110	216,007,110	216,007,110	216,007,110	226,807,466	238,147,839
	Operations and Maintenance	54,754,387	55,081,727	38,338,983	20,338,983	21,355,932	22,423,729
	Development	681,513,938	545,155,479	516,964,479	402,914,479	779,392,906	818,362,551
	<b>Sub Total</b>	<b>952,275,435</b>	<b>816,244,316</b>	<b>771,310,572</b>	<b>639,260,572</b>	<b>1,027,556,304</b>	<b>1,078,934,119</b>
Trade, Investment, Industrialisation, Co-operatives, Small and Micro Enterprises (SME)	Employee Compensation	54,093,401	54,093,401	54,093,401	54,093,401	56,798,071	59,637,975
	Operations and Maintenance	43,361,163	47,061,163	34,906,063	19,906,063	20,901,366	21,946,434
	Development	250,000,000	240,717,104	182,492,000	145,000,000	152,250,000	159,862,500
	<b>Sub Total</b>	<b>347,454,564</b>	<b>341,871,668</b>	<b>271,491,464</b>	<b>218,999,464</b>	<b>229,949,437</b>	<b>241,446,909</b>
Education and Industrial Skills Development	Employee Compensation	574,823,188	560,557,817	560,557,817	621,514,252	652,589,965	685,219,463
	Operations and Maintenance	94,782,267	128,282,267	102,678,442	60,678,442	63,712,364	66,897,982
	Development	130,000,000	116,000,000	144,562,850	125,000,000	131,250,000	137,812,500
	<b>Sub Total</b>	<b>799,605,455</b>	<b>804,840,084</b>	<b>807,799,109</b>	<b>807,192,694</b>	<b>847,552,329</b>	<b>889,929,945</b>
The County Treasury and Economic Planning	Employee Compensation	300,114,571	300,114,571	350,609,862	352,309,278	369,924,742	388,420,979
	Operations and Maintenance	216,780,374	373,858,389	352,813,935	375,790,594	394,580,123	414,309,130
	Development	10,000,000	22,919,656	27,919,656	95,000,000	99,750,000	104,737,500
	<b>Sub Total</b>	<b>526,894,945</b>	<b>696,892,616</b>	<b>731,343,453</b>	<b>823,099,872</b>	<b>864,254,865</b>	<b>907,467,609</b>
Youth, Sports, Culture, Gender, Creative Arts and Social Services	Employee Compensation	52,513,808	52,513,808	52,513,808	52,515,808	55,141,598	57,898,678
	Operations and Maintenance	99,404,008	156,692,200	44,032,165	20,033,164	21,034,822	22,086,563
	Development	25,000,000	25,500,000	44,486,620	61,200,000	64,260,000	67,473,000
	<b>Sub Total</b>	<b>176,917,816</b>	<b>234,706,008</b>	<b>141,032,593</b>	<b>133,748,972</b>	<b>140,436,421</b>	<b>147,458,242</b>
Transport, Roads and Public Works	Employee Compensation	83,555,152	83,555,152	83,555,152	83,555,152	87,732,910	92,119,555
	Operations and Maintenance	60,692,321	83,192,321	64,818,588	80,766,982	84,805,331	89,045,598

Vote Title	Economic Classification	Approved Ceilings	Approved Budget	CBROP Proposed Ceilings (kshs)	Proposed CFSP Ceilings	Projection	Projection
		FY 2025/2026 Kshs.	FY 2025/2026 Kshs.	FY 2026/2027 Kshs.	FY 2026/2027 Kshs.	FY 2027/2028 Kshs.	FY 2028/2029 Kshs.
	Development	437,000,000	621,858,891	612,392,130	295,000,000	457,250,000	520,112,500
	<b>Sub Total</b>	<b>581,247,473</b>	<b>788,606,364</b>	<b>760,765,870</b>	<b>459,322,134</b>	<b>629,788,241</b>	<b>701,277,653</b>
<b>Public Service Management</b>	Employee Compensation	295,512,108	295,457,757	295,457,757	333,457,757	350,130,645	367,637,177
	Operations and Maintenance	374,668,860	452,168,860	327,269,605	403,269,605	423,433,085	444,604,740
	Development	-	-	-	352,500,000	370,125,000	388,631,250
	<b>Sub Total</b>	<b>670,180,968</b>	<b>747,626,617</b>	<b>622,727,362</b>	<b>1,089,227,362</b>	<b>1,143,688,730</b>	<b>1,200,873,167</b>
<b>Lands, Housing and urban Development</b>	Employee Compensation	66,175,063	66,175,063	66,175,063	16,738,685	17,575,619	18,454,400
	Operations and Maintenance	58,288,879	66,806,289	35,286,691	20,286,691	21,301,026	22,366,077
	Development	122,500,000	108,500,000	169,571,920	45,000,000	47,250,000	49,612,500
	<b>Sub Total</b>	<b>246,963,942</b>	<b>241,481,352</b>	<b>271,033,674</b>	<b>82,025,376</b>	<b>86,126,645</b>	<b>90,432,977</b>
<b>Busia Municipality</b>	Employee Compensation				32,807,705	34,448,090	36,170,495
	Operations and Maintenance				10,000,000	10,500,000	11,025,000
	Development				14,000,000	14,700,000	15,435,000
	<b>Sub Total</b>				<b>56,807,705</b>	<b>59,648,090</b>	<b>62,630,495</b>
<b>Malaba Municipality</b>	Employee Compensation				16,628,673	17,460,107	18,333,112
	Operations and Maintenance				10,000,000	10,500,000	11,025,000
	Development				6,000,000	6,300,000	6,615,000
	<b>Sub Total</b>				<b>32,628,673</b>	<b>34,260,107</b>	<b>35,973,112</b>
<b>Water, Environment, Irrigation, Natural Resources and Climate Change</b>	Employee Compensation	94,152,036	94,152,036	94,152,036	94,152,036	98,859,638	103,802,620
	Operations and Maintenance	53,704,250	72,704,250	52,830,227	20,830,227	21,871,738	22,965,325
	Development	490,000,000	722,500,000	397,250,445	407,000,000	427,350,000	448,717,500
	<b>Sub Total</b>	<b>637,856,286</b>	<b>889,356,286</b>	<b>544,232,708</b>	<b>521,982,263</b>	<b>548,081,376</b>	<b>575,485,445</b>
<b>Health Services and Sanitation</b>	Employee Compensation	1,959,646,302	2,053,694,979	2,053,694,979	2,082,712,703	2,186,848,338	2,296,190,755
	Operations and Maintenance	369,693,672	347,026,622	312,048,940	443,475,418	465,649,189	488,931,648
	Development	602,500,000	548,600,000	662,869,948	265,000,000	278,250,000	292,162,500
	<b>Sub Total</b>	<b>2,931,839,974</b>	<b>2,949,321,601</b>	<b>3,028,613,867</b>	<b>2,791,188,121</b>	<b>2,930,747,527</b>	<b>3,077,284,903</b>
<b>County Public Service Board</b>	Employee Compensation	29,563,226	29,563,226	29,563,226	30,450,123	31,972,629	33,571,260
	Operations and Maintenance	73,320,821	68,320,821	62,486,735	40,486,735	42,511,072	44,636,625
	<b>Sub Total</b>	<b>102,884,047</b>	<b>97,884,047</b>	<b>92,049,961</b>	<b>70,936,858</b>	<b>74,483,701</b>	<b>78,207,886</b>
<b>The Governorship</b>	Employee Compensation	200,239,695	185,239,695	185,239,695	206,246,886	216,559,230	227,387,192
	Operations and Maintenance	159,867,896	167,690,696	164,724,778	150,724,778	158,261,017	166,174,068
	Development	18,000,000	28,000,000	24,000,000	20,000,000	21,000,000	22,050,000

Vote Title	Economic Classification	Approved Ceilings	Approved Budget	CBROP Proposed Ceilings (kshs)	Proposed CFSP Ceilings	Projection	Projection
		FY 2025/2026 Kshs.	FY 2025/2026 Kshs.	FY 2026/2027 Kshs.	FY 2026/2027 Kshs.	FY 2027/2028 Kshs.	FY 2028/2029 Kshs.
	<b>Sub Total</b>	<b>378,107,591</b>	<b>380,930,391</b>	<b>373,964,473</b>	<b>376,971,664</b>	<b>395,820,247</b>	<b>415,611,259</b>
<b>County Law Office</b>	Employee Compensation	15,820,129	15,820,129	15,820,129	16,294,733	17,109,470	17,964,943
	Operations and Maintenance	54,544,701	54,544,701	44,766,862	49,766,862	52,255,205	54,867,965
	Development	-	-	-	-	-	-
	<b>Sub Total</b>	<b>70,364,830</b>	<b>70,364,830</b>	<b>60,586,991</b>	<b>66,061,595</b>	<b>69,364,675</b>	<b>72,832,908</b>
<b>Strategic Partnerships and Digital Economy</b>	Employee Compensation	25,100,548	25,100,548	25,100,548	35,449,745	37,222,232	39,083,344
	Operations and Maintenance	26,643,389	30,643,389	24,224,735	19,224,735	20,185,972	21,195,270
	Development	8,000,000	8,000,000	8,000,000	70,000,000	73,500,000	77,175,000
	<b>Sub Total</b>	<b>59,743,937</b>	<b>63,743,937</b>	<b>57,325,283</b>	<b>124,674,480</b>	<b>130,908,204</b>	<b>137,453,614</b>
	<b>Total County Executive Expenditure</b>	<b>8,482,337,264</b>	<b>9,123,870,117</b>	<b>8,534,277,380</b>	<b>8,204,691,426</b>	<b>9,118,758,700</b>	<b>9,614,696,635</b>
<b>County Assembly</b>	Employee Compensation	456,222,004	468,610,184	468,610,184	472,341,378	495,958,447	520,756,369
	Operations and Maintenance	403,160,562	390,772,382	358,792,202	387,256,667	406,619,500	426,950,475
	Development	144,000,000	54,500,000	40,000,000	40,000,000	42,000,000	44,100,000
	<b>Sub Total</b>	<b>1,003,382,566</b>	<b>913,882,566</b>	<b>867,402,386</b>	<b>899,598,045</b>	<b>944,577,947</b>	<b>991,806,845</b>
<b>All</b>	Allocation for Development Pending bills, Rollovers and Stalled projects				600,000,000	630,000,000	661,500,000
	<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000,000</b>	<b>630,000,000</b>	<b>661,500,000</b>
	<b>Total County Expenditure</b>						
	Employee Compensation	<b>4,423,538,341</b>	<b>4,500,655,476</b>	<b>4,551,150,767</b>	<b>4,717,275,424</b>	<b>4,953,139,196</b>	<b>5,200,796,155</b>
	Operations and Maintenance	<b>2,143,667,551</b>	<b>2,494,846,077</b>	<b>2,020,018,951</b>	<b>2,132,835,946</b>	<b>2,239,477,743</b>	<b>2,351,451,630</b>
	Development	<b>2,918,513,938</b>	<b>3,042,251,130</b>	<b>2,830,510,048</b>	<b>2,943,614,479</b>	<b>3,594,627,906</b>	<b>3,814,359,301</b>
	<b>Grand Total</b>	<b>9,485,719,830</b>	<b>10,037,752,683</b>	<b>9,401,679,766</b>	<b>9,793,725,849</b>	<b>10,787,244,845</b>	<b>11,366,607,087</b>
	<b>Employee Compensation</b>	46.63%	44.84%	48.41%	48.17%	45.92%	45.76%
	<b>Operations and Maintenance</b>	22.60%	24.85%	21.49%	21.78%	20.76%	20.69%
	<b>Development</b>	30.77%	30.31%	30.11%	30.06%	33.32%	33.56%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Summary of departmental programmes for the FY 2026/2027 and the medium term

Table 9: Programmes for the FY 2026/2027 and the Medium Term

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection	
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)	
Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness	General Administration and Support Services	Administrative support services	236,346,093	248,163,398	260,571,568	
	<b>General Administration and Support Services Total</b>		<b>236,346,093</b>	<b>248,163,398</b>	<b>260,571,568</b>	
	Crop Development	Mechanization Services		35,000,000	36,750,000	38,587,500
		Input Access		35,000,000	36,750,000	38,587,500
		National Agricultural Development Project		235,500,000	247,275,000	259,638,750
	<b>Crop Development Total</b>		<b>305,500,000</b>	<b>320,775,000</b>	<b>336,813,750</b>	
	Agribusiness development	Agribusiness Infrastructure Development		10,918,919	11,464,865	12,038,108
	<b>Agribusiness development Total</b>		<b>10,918,919</b>	<b>11,464,865</b>	<b>12,038,108</b>	
	Fisheries and blue economy development	Fisheries, aquaculture and blue economy development		22,945,560	24,092,838	25,297,480
	<b>Fisheries and blue economy development Total</b>		<b>22,945,560</b>	<b>24,092,838</b>	<b>25,297,480</b>	
	Livestock Development	Livestock Production Infrastructure			-	-
		Livestock Production Infrastructure		10,000,000	10,500,000	11,025,000
		Kenya Livestock Commercialization Project		33,550,000	35,227,500	36,988,875
	<b>Livestock Development Total</b>		<b>43,550,000</b>	<b>45,727,500</b>	<b>48,013,875</b>	
Veterinary Development	Veterinary Infrastructure Development			-	-	
	Animal Disease and Vector Control		20,000,000	21,000,000	22,050,000	
<b>Veterinary Development Total</b>		<b>20,000,000</b>	<b>21,000,000</b>	<b>22,050,000</b>		
<b>Agriculture Total</b>			<b>639,260,572</b>	<b>671,223,601</b>	<b>704,784,781</b>	
Trade, Investment, Industrialisation, Co-operatives, Small and Micro Enterprises (SME)	General Administration and Support Services	Administrative support services	73,999,464	77,699,437	81,584,409	
	<b>General Administration and Support Services Total</b>		<b>73,999,464</b>	<b>77,699,437</b>	<b>81,584,409</b>	
	Trade Development and investment	Markets modernization and development		30,000,000	31,500,000	33,075,000
		Markets modernization and development		10,000,000	10,500,000	11,025,000
		Investment promotion		20,000,000	21,000,000	22,050,000
	<b>Trade Development and investment Total</b>		<b>60,000,000</b>	<b>63,000,000</b>	<b>66,150,000</b>	
	Fair Trade practices.	Weighing and measuring equipment verification			-	-
	<b>Fair Trade practices. Total</b>			-	-	
	Industrialization	Industrial Development		15,000,000	15,750,000	16,537,500
	<b>Industrialization Total</b>		<b>15,000,000</b>	<b>15,750,000</b>	<b>16,537,500</b>	
	Cooperative Business Development	Cooperative Development		70,000,000	73,500,000	77,175,000
<b>Cooperative Business Development Total</b>		<b>70,000,000</b>	<b>73,500,000</b>	<b>77,175,000</b>		
Alcoholic Drinks and Drug Abuse	Liquor Regulation, Licencing and Infrastructure Development			-	-	
<b>Alcoholic Drinks and Drug Abuse Total</b>			-	-		
<b>Trade Total</b>			<b>218,999,464</b>	<b>229,949,437</b>	<b>241,446,909</b>	
Education and Industrial Skills Development	General Administration and Support Services	Administrative support services	682,192,694	716,302,329	752,117,445	
	<b>General Administration and Support Services Total</b>		<b>682,192,694</b>	<b>716,302,329</b>	<b>752,117,445</b>	
	Early childhood development education	ECDE infrastructure development		105,000,000	110,250,000	115,762,500

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)
	<b>Early childhood development education Total</b>		105,000,000	110,250,000	115,762,500
	Vocational Training Development	VTCs Infrastructure Development	10,000,000	10,500,000	11,025,000
		Equipping of VTCs	10,000,000	10,500,000	11,025,000
	<b>Vocational Training Development Total</b>		20,000,000	21,000,000	22,050,000
<b>Education Total</b>			807,192,694	847,552,329	889,929,945
<b>The County Treasury and Economic Planning</b>	General Administration and Support Services	Administrative support services	728,099,872	764,504,865	802,730,109
	<b>General Administration and Support Services Total</b>		728,099,872	764,504,865	802,730,109
	Public Financial Management	County Intergrated Development Plan	25,000,000	26,250,000	27,562,500
		Asset Management	70,000,000	73,500,000	77,175,000
	<b>Public Financial Management Total</b>		95,000,000	99,750,000	104,737,500
	Economic Policy and Planning	Statistics		-	-
<b>Economic Policy and Planning Total</b>			-	-	
<b>Finance Total</b>			823,099,872	864,254,865	907,467,609
<b>Youth, Sports, Culture, Gender, Creative Arts and Social Services</b>	General Administration and Support Services	Administrative support services	72,548,972	76,176,421	79,985,242
	<b>General Administration and Support Services Total</b>		72,548,972	76,176,421	79,985,242
	Culture Promotion and Development	Cultural promotion		-	-
		Cultural promotion	5,000,000	5,250,000	5,512,500
	<b>Culture Promotion and Development Total</b>		5,000,000	5,250,000	5,512,500
	Youth Empowerment and Development	Youth enterprise and empowerment.		-	-
		Youth enterprise and empowerment.	10,000,000	10,500,000	11,025,000
	<b>Youth Empowerment and Development Total</b>		10,000,000	10,500,000	11,025,000
	Promotion and Development of Sports	Sports promotion and infrastructure development	20,000,000	21,000,000	22,050,000
		Sports promotion	17,500,000	18,375,000	19,293,750
	<b>Promotion and Development of Sports Total</b>		37,500,000	39,375,000	41,343,750
	Promotion and Development of local tourism in the county	Tourism promotion and structure development			
		Tourism promotion and structure development	3,000,000	3,150,000	3,307,500
		Tourism promotion and structure development	2,000,000	2,100,000	2,205,000
	<b>Promotion and Development of local tourism in the county Total</b>		5,000,000	5,250,000	5,512,500
	Gender Affairs Programmes	Enhancing and sustaining gender resilience		-	-
Gender Affairs Programmes	Enhancing and sustaining gender resilience	3,700,000	3,885,000	4,079,250	
<b>Gender Affairs Programmes Total</b>		3,700,000	3,885,000	4,079,250	
Social Assistance and Development to vulnerable	Social Support Services		-	-	
<b>Social Assistance and Development to vulnerable Total</b>			-	-	
<b>sports Total</b>			133,748,972	140,436,421	147,458,242
<b>Transport, Roads and Public Works</b>	General Administration and Support Services	Administrative support services	164,322,134	172,538,241	181,165,153
	<b>General Administration and Support Services Total</b>		164,322,134	172,538,241	181,165,153
	Road network	Road infrastructure development		-	-
		Road infrastructure development	10,000,000	10,500,000	11,025,000

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection	
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)	
		Road infrastructure development	25,000,000	26,250,000	27,562,500	
		Road infrastructure development	210,000,000	220,500,000	231,525,000	
		Road infrastructure development-Bitumen	50,000,000	200,000,000	250,000,000	
		<b>Road network Total</b>	<b>295,000,000</b>	<b>457,250,000</b>	<b>520,112,500</b>	
		Alternative Transport Infrastructure Development		-	-	
		<b>Alternative Transport Infrastructure Development Total</b>		-	-	
		Building Infrastructure Development	Standardization of Construction Materials		-	-
	<b>Building Infrastructure Development Total</b>		-	-		
<b>public works Total</b>			<b>459,322,134</b>	<b>629,788,241</b>	<b>701,277,653</b>	
<b>Public Service Management</b>	General Administration and Support Services	Administrative support services	736,727,362	773,563,730	812,241,917	
	<b>General Administration and Support Services Total</b>		<b>736,727,362</b>	<b>773,563,730</b>	<b>812,241,917</b>	
	Devolution Support	County Institutional Infrastructure Support	352,500,000	370,125,000	388,631,250	
	<b>Devolution Support Total</b>		<b>352,500,000</b>	<b>370,125,000</b>	<b>388,631,250</b>	
<b>PSM Total</b>			<b>1,089,227,362</b>	<b>1,143,688,730</b>	<b>1,200,873,167</b>	
	<b>Lands, Housing and urban Development Total</b>		-	-	-	
<b>Lands, Housing and urban Development</b>	General Administration and Support Services	Administrative support services	37,025,376	38,876,645	40,820,477	
	<b>General Administration and Support Services Total</b>		<b>37,025,376</b>	<b>38,876,645</b>	<b>40,820,477</b>	
	Physical planning and Land use management	Land use administration and management	5,000,000	5,250,000	5,512,500	
	<b>Physical planning and Land use management Total</b>		<b>5,000,000</b>	<b>5,250,000</b>	<b>5,512,500</b>	
	Urban Management Services	Urban Infrastructure development and management		-	-	
	<b>Urban Management Services Total</b>			-	-	
	Housing Development and Management	Housing Management	20,000,000	21,000,000	22,050,000	
		Housing Development-Governors residence	20,000,000	21,000,000	22,050,000	
<b>Housing Development and Management Total</b>		<b>40,000,000</b>	<b>42,000,000</b>	<b>44,100,000</b>		
<b>lands Total</b>			<b>82,025,376</b>	<b>86,126,645</b>	<b>90,432,977</b>	
<b>Busia Municipality</b>	General Administration and Support Services	Administrative support services	42,807,705	44,948,090	47,195,495	
	<b>General Administration and Support Services Total</b>		<b>42,807,705</b>	<b>44,948,090</b>	<b>47,195,495</b>	
	Busia Municipality	Municipal Infrastructure development and management			-	-
		Municipal Infrastructure development and management		4,000,000	4,200,000	4,410,000
		Municipal Infrastructure development and management		10,000,000	10,500,000	11,025,000
<b>Busia Municipality Total</b>		<b>14,000,000</b>	<b>14,700,000</b>	<b>15,435,000</b>		
<b>Busia municipality Total</b>			<b>56,807,705</b>	<b>59,648,090</b>	<b>62,630,495</b>	
<b>Malaba municipality Total</b>	General Administration and Support Services	Administrative support services	26,628,673	27,960,107	29,358,112	
	<b>General Administration and Support Services Total</b>		<b>26,628,673</b>	<b>27,960,107</b>	<b>29,358,112</b>	

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection	
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)	
	Malaba Municipality	Municipal Infrastructure development and management		-	-	
		Municipal Infrastructure development and management	6,000,000	6,300,000	6,615,000	
	<b>Malaba Municipality Total</b>		<b>6,000,000</b>	<b>6,300,000</b>	<b>6,615,000</b>	
<b>Malaba municipality Total</b>			<b>32,628,673</b>	<b>34,260,107</b>	<b>35,973,112</b>	
<b>Water, Environment, Irrigation, Natural Resources and Climate Change</b>	General Administration and Support Services	Administrative support services	114,982,263	120,731,376	126,767,945	
	<b>General Administration and Support Services Total</b>		<b>114,982,263</b>	<b>120,731,376</b>	<b>126,767,945</b>	
	Water supply services	Development of Water infrastructure			-	-
		Development of Water infrastructure		15,000,000	15,750,000	16,537,500
		Development of Water infrastructure		5,000,000	5,250,000	5,512,500
		Development of Water infrastructure		5,000,000	5,250,000	5,512,500
		Development of Water infrastructure		5,000,000	5,250,000	5,512,500
		Development of Water infrastructure		5,000,000	5,250,000	5,512,500
		Drilling Rig operations		10,000,000	10,500,000	11,025,000
	<b>Water supply services Total</b>		<b>45,000,000</b>	<b>47,250,000</b>	<b>49,612,500</b>	
	BUWASCO	Development of Water infrastructure		15,000,000	15,750,000	16,537,500
	BUWASCO	Development of Water infrastructure			-	-
	<b>BUWASCO Total</b>		<b>15,000,000</b>	<b>15,750,000</b>	<b>16,537,500</b>	
	Sewerage Services	Development of sewerage infrastructure			-	-
	<b>Sewerage Services Total</b>			-	-	-
	Environmental conservation and management	Afforestation & agroforestry		7,000,000	7,350,000	7,717,500
		Afforestation & agroforestry		5,000,000	5,250,000	5,512,500
		Afforestation & agroforestry		3,000,000	3,150,000	3,307,500
	<b>Environmental conservation and management Total</b>		<b>15,000,000</b>	<b>15,750,000</b>	<b>16,537,500</b>	
	Climate Change Mitigation and adaptation	Climate change mitigation and resilience		60,000,000	63,000,000	66,150,000
		Climate change mitigation and resilience		217,000,000	227,850,000	239,242,500
	<b>Climate Change Mitigation and adaptation Total</b>		<b>277,000,000</b>	<b>290,850,000</b>	<b>305,392,500</b>	
	Irrigation and Land Reclamation services	Development/ construction of Irrigation infrastructure		10,000,000	10,500,000	11,025,000
		Development/ construction of Irrigation infrastructure		5,000,000	5,250,000	5,512,500
	<b>Irrigation and Land Reclamation services Total</b>		<b>15,000,000</b>	<b>15,750,000</b>	<b>16,537,500</b>	
	Natural Resource Management	Catchment and watershed conservation			-	-
		Watershed conservation as a natural resource		5,000,000	5,250,000	5,512,500
<b>Natural Resource Management Total</b>		<b>5,000,000</b>	<b>5,250,000</b>	<b>5,512,500</b>		
Energy Development	Rural electrification		35,000,000	36,750,000	38,587,500	
<b>Energy Development Total</b>		<b>35,000,000</b>	<b>36,750,000</b>	<b>38,587,500</b>		
<b>water Total</b>			<b>521,982,263</b>	<b>548,081,376</b>	<b>575,485,445</b>	
<b>Health Services and Sanitation</b>	General Administration and Support Services	Administrative support services	2,526,188,121	2,652,497,527	2,785,122,403	
	<b>General Administration and Support Services Total</b>		<b>2,526,188,121</b>	<b>2,652,497,527</b>	<b>2,785,122,403</b>	
	Curative and Rehabilitative services	Ambulance and referral services			-	-
Infrastructure development at Tier 3 facilities countywide			79,000,000	82,950,000	87,097,500	

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection	
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)	
		Higher-level Hospital equipment	30,000,000	31,500,000	33,075,000	
	<b>Curative and Rehabilitative services Total</b>		<b>109,000,000</b>	<b>114,450,000</b>	<b>120,172,500</b>	
	Preventive and Promotive health services	Sanitation and Hygiene			-	-
		Infrastructure Development and equipment at Tier 2		10,000,000	10,500,000	11,025,000
		Infrastructure Development and equipment at Tier 2		38,000,000	39,900,000	41,895,000
		Infrastructure Development and equipment at Tier 2		77,000,000	80,850,000	84,892,500
		Lower-level Hospital equipment		31,000,000	32,550,000	34,177,500
	<b>Preventive and Promotive health services Total</b>		<b>156,000,000</b>	<b>163,800,000</b>	<b>171,990,000</b>	
General Administration, Planning and support services	Health Transport			-	-	
<b>General Administration, Planning and support services Total</b>			-	-	-	
<b>Health Total</b>			<b>2,791,188,121</b>	<b>2,930,747,527</b>	<b>3,077,284,903</b>	
County Public Service Board	General Administration and Support Services	Administrative support services	70,936,858	74,483,701	78,207,886	
	<b>General Administration and Support Services Total</b>		<b>70,936,858</b>	<b>74,483,701</b>	<b>78,207,886</b>	
<b>CPSB Total</b>			<b>70,936,858</b>	<b>74,483,701</b>	<b>78,207,886</b>	
Governorship	General Administration and Support Services	Administrative support services	356,971,664	374,820,247	393,561,259	
	<b>General Administration and Support Services Total</b>		<b>427,908,522</b>	<b>449,303,948</b>	<b>471,769,145</b>	
	Disaster Risk Management	Disaster prepared ness		5,000,000	5,250,000	5,512,500
		Disaster prepared ness		10,000,000	10,500,000	11,025,000
		Disaster prepared ness		5,000,000	5,250,000	5,512,500
	<b>Disaster Risk Management Total</b>		<b>20,000,000</b>	<b>21,000,000</b>	<b>22,050,000</b>	
Service Delivery	Enhance service delivery to the citizens			-	-	
<b>Service Delivery Total</b>			-	-	-	
<b>Governorship Total</b>			<b>447,908,522</b>	<b>470,303,948</b>	<b>493,819,145</b>	
Strategic Partnership	General Administration and Support Services	Administrative support services	54,674,480	57,408,204	60,278,614	
	<b>General Administration and Support Services Total</b>		<b>54,674,480</b>	<b>57,408,204</b>	<b>60,278,614</b>	
	Information Communication Technology	Revenue Automation		60,000,000	63,000,000	66,150,000
		Digital Economy		10,000,000	10,500,000	11,025,000
<b>Information Communication Technology Total</b>		<b>70,000,000</b>	<b>73,500,000</b>	<b>77,175,000</b>		
<b>Strategic Partnership Total</b>			<b>124,674,480</b>	<b>130,908,204</b>	<b>137,453,614</b>	
County law office	General Administration and Support Services	Administrative support services	66,061,595	69,364,675	72,832,908	
	<b>General Administration and Support Services Total</b>		<b>66,061,595</b>	<b>69,364,675</b>	<b>72,832,908</b>	
	Litigation	Establishment of county courts			-	-
	<b>Litigation Total</b>			-	-	-
	Legislative, Drafting, Commercial Services, Policy & Compliance	Legislative Drafting			-	-
<b>Legislative, Drafting, Commercial Services, Policy &amp; Compliance Total</b>			-	-	-	
<b>county law office Total</b>			<b>66,061,595</b>	<b>69,364,675</b>	<b>72,832,908</b>	
Assembly	General Administration and Support Services	Administrative support services	859,598,045	902,577,947	947,706,845	
	<b>General Administration and Support Services Total</b>		<b>859,598,045</b>	<b>902,577,947</b>	<b>947,706,845</b>	

Department	Programme	Sub Programme	Proposed Ceilings	Projection	Projection
			FY 2026/2027 (Kshs.)	FY 2027/2028 (Kshs.)	FY 2028/2029 (Kshs.)
	Legislation	Construction and equipping of social amenities structures		-	-
	<b>Legislation Total</b>		-	-	-
	Representation	Construction of ward offices	40,000,000	42,000,000	44,100,000
	<b>Representation Total</b>		<b>40,000,000</b>	<b>42,000,000</b>	<b>44,100,000</b>
<b>Assembly Total</b>			<b>899,598,045</b>	<b>944,577,947</b>	<b>991,806,845</b>
All County Executive Departments	Allocation for Development Pending bills, Rollovers and Stalled projects	Allocation for Development Pending bills, Rollovers and Stalled projects	600,000,000	630,000,000	661,500,000
<b>All County Executive Departments Total</b>			<b>600,000,000</b>	<b>630,000,000</b>	<b>661,500,000</b>
<b>Grand Total</b>			<b>9,793,725,849</b>	<b>10,035,265,871</b>	<b>10,288,076,547</b>

With the prevailing constrained fiscal space, prudent prioritization of essential expenditures will remain paramount in guiding resource allocation. Accordingly, all departments and entities are required to focus on high-priority programmes and interventions that demonstrate clear value for money and high socio-economic returns, while rationalizing and eliminating low-impact and non-essential activities.

Further emphasis shall be placed on completion of ongoing and near-completion projects, fulfillment of statutory obligations, protection of critical service delivery programmes, and settlement of verified pending bills to enhance fiscal discipline and service delivery outcomes.

### Medium Term Expenditure Estimates

The County Treasury has proposed an allocation of **Kshs. 600 million** towards payment of pending bills, rollovers and completion of stalled and incomplete projects. While this allocation may not be sufficient to fully address all pending bills and ongoing projects, it represents a deliberate step towards unlocking value from existing investments and improving service delivery. In view of the prevailing fiscal constraints, priority will be accorded to base on aging analysis, settlement of verified pending bills as well as near-completion projects requiring minimal additional funding, high-impact projects with low completion costs, and projects that directly support the delivery of essential services.

The above allocations have been presented as stand-alone lump sums per department so as to enable County departments to objectively apply the stated criteria in allocating the funds. This approach ensures that limited resources are directed to areas with the greatest immediate impact.

## **Public Participation report**

### **Overview of the Public Participation**

The County Government of Busia, through the County Treasury and Economic Planning, conducted public participation fora on the draft County Fiscal Strategy Paper (CFSP) for the Financial Year 2026/2027 and the Medium-Term Expenditure Framework (MTEF) in accordance with the Constitution of Kenya, 2010.

Articles 10, 174, 196 and 201 of the Constitution of Kenya, 2010 underscores the principles of public finance, including openness, accountability, and public participation. Further, Section 117 of the Public Finance Management Act, 2012 requires the County Treasury, in preparing the CFSP, to seek and take into account the views of the public and interested stakeholders.

In compliance with these legal provisions, the County Treasury invited members of the public, civil society organizations, professional bodies, faith-based organizations, the private sector, and other stakeholders to participate in consultative fora held across the County. The exercise was conducted in conjunction with the Busia County Assembly and the County Budget and Economic Forum (CBEF). Other organizations that were invited and participated in the exercise included; Commission on Revenue Allocation, Office of the County Commissioner, Institute of Certified Public Accountants of Kenya (ICPAK), Chamber of Commerce, Busia Civil Societies Organization, Community of Practice Busia Chapter and Community Empowerment Development Centre.

### **Objectives of the Public Participation Exercise**

The public participation exercise aimed to:

- Provide citizens with an opportunity to give their input to county fiscal priorities for FY 2026/2027
- Enhance transparency and accountability in the county planning and budgeting process
- Collect public views on revenue and expenditure prioritization and service delivery
- Promote inclusivity and citizen ownership of county fiscal decisions
- Ensure compliance with constitutional and statutory requirements on public finance

Public participation on the CFSP FY 2026/2027 was conducted on **Wednesday, 4th February 2026** across all the **eight (8) sub-counties** of Busia County. Each sub-county hosted the exercise at a designated public venue as advertised in the local daily newspapers.

The County adopted multiple engagement approaches to ensure broad participation, including public barazas, oral submissions during the fora and written memoranda submitted physically and via official email. This approach ensured inclusivity and accommodated different stakeholder preferences.

The fora recorded strong attendance across all sub-counties, reflecting increased public interest in county fiscal planning. Participation included men, women, youth, and persons living with disabilities (PLWDs).

**Table 1: Summary of Attendance per Sub-County**

<b>Sub-County</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>&lt;= 35 Yrs</b>	<b>&gt;35 Yrs</b>	<b>PLWDS</b>
Teso Central	197	101	298	97	201	3
Teso South	188	88	276	130	146	4
Teso North	188	97	285	135	150	3
Samia	142	158	300	128	172	4
Nambale	179	121	300	121	179	10
Matayos	154	132	306	177	129	13
Butula	130	168	298	142	156	3
Bunyala	102	198	300	176	124	6
<b>Total</b>	<b>1,285</b>	<b>1,115</b>	<b>2,363</b>	<b>1,106</b>	<b>1,257</b>	<b>50</b>

The participation demonstrated a commendable gender balance in some sub-counties, strong youth representation, and inclusion of persons living with disabilities, consistent with inclusivity principles. The male population represented 54.38% of the total attendance while the females were 47.19%. The youth represented 46.80% and persons living with disabilities represented 2.12%.

### **Key Issues Raised by the Public**

Participants articulated sector-specific and cross-cutting priorities to be considered in the CFSP, summarized as follows:

Table 10: Priorities Raised

Sector / Department	Key Issues Raised by the Public	CFSP Strategic Response/Remarks
<b>Health Services &amp; Sanitation</b>	<ul style="list-style-type: none"> <li>- Completion and equipping of stalled health facilities (dispensaries, maternity wings, laboratories)</li> <li>- Inadequate staffing and delayed payment of CHVs</li> <li>- Lack of ambulances and essential medical equipment</li> <li>- Inadequate water, fencing and sanitation in health facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Prioritize completion and equipping of ongoing health infrastructure projects</li> <li>- Strengthen primary healthcare through improved staffing and support to CHVs, subject to available resources</li> <li>- Enhance emergency referral services and facility functionality- Improve WASH infrastructure in health facilities</li> </ul>
<b>Smart Agriculture, Livestock, Fisheries, Blue Economy &amp; Agribusiness</b>	<ul style="list-style-type: none"> <li>- Limited access to certified seeds, fertilizers and farm inputs</li> <li>-Inadequate mechanization services and delayed ploughing</li> <li>- Non-functional cattle dips and disease control gaps</li> <li>- Low support for fisheries, aquaculture and value addition</li> </ul>	<ul style="list-style-type: none"> <li>- Enhance funding for input subsidy programmes and mechanization services</li> <li>- Rehabilitate and operationalize livestock disease control infrastructure</li> <li>- Promote fisheries and aquaculture value chains</li> <li>- Strengthen extension services and agribusiness value addition</li> </ul>
<b>Trade, Investment, Industrialization &amp; MSMEs</b>	<ul style="list-style-type: none"> <li>- Stalled and non-operational markets</li> <li>- Inadequate sanitation facilities in markets</li> <li>- Poor market infrastructure and waste management</li> </ul>	<ul style="list-style-type: none"> <li>- Prioritize completion and operationalization of stalled markets</li> <li>- Improve market infrastructure including ablution blocks and waste management systems</li> <li>- Strengthen trade-supportive infrastructure to boost local economic activity</li> </ul>
<b>Education &amp; Industrial Skills Development</b>	<ul style="list-style-type: none"> <li>- Stalled and unequipped ECDE centers and VTCs</li> <li>- Inadequate learning materials and workshops</li> <li>- Need for school feeding programmes</li> <li>- Inclusion of PWDs in education facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Prioritize completion and equipping of ECDEs and VTCs</li> <li>- Strengthen skills development infrastructure</li> <li>- Support inclusive education and special needs facilities</li> <li>- Enhance enrolment and retention through targeted interventions</li> </ul>
<b>Water, Environment, Irrigation, Natural Resources &amp; Climate Change</b>	<ul style="list-style-type: none"> <li>- Non-operational and inadequate water projects</li> <li>- Frequent breakdown of boreholes and dams</li> <li>- Limited access to clean and safe water</li> <li>- Poor waste management and environmental degradation</li> <li>- Need for solarization of public facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Rehabilitate and expand water supply infrastructure</li> <li>- Promote climate-resilient water and irrigation systems</li> <li>- Strengthen environmental conservation and waste management initiatives</li> <li>- Enhance access to clean and safe water across wards</li> <li>-Expand access to affordable and renewable energy solutions</li> </ul>
<b>Transport, Roads &amp; Public Works</b>	<ul style="list-style-type: none"> <li>- Poor road conditions and stalled road projects</li> <li>- Inadequate drainage and culverts</li> <li>- Limited street lighting and non-functional solar lights</li> <li>- Limited rural electrification and non-functional lighting</li> </ul>	<ul style="list-style-type: none"> <li>- Prioritize routine maintenance and rehabilitation of road networks</li> <li>- Improve drainage and road safety infrastructure</li> <li>- Expand and maintain street lighting to enhance security and economic activity</li> </ul>

<b>Sector / Department</b>	<b>Key Issues Raised by the Public</b>	<b>CFSP Strategic Response/Remarks</b>
<b>Lands, Housing &amp; Urban Development</b>	<ul style="list-style-type: none"> <li>- Lack of spatial plans and land for public facilities</li> <li>- Incomplete staff houses and public buildings</li> <li>- Inadequate urban sanitation and town cleanliness</li> </ul>	<ul style="list-style-type: none"> <li>- Support preparation of spatial and urban development plans</li> <li>- Prioritize completion of essential public buildings and staff housing</li> <li>- Improve urban sanitation and solid waste management</li> </ul>
<b>Youth, Sports, Gender, Culture &amp; Social Services</b>	<ul style="list-style-type: none"> <li>- Limited sports infrastructure and talent development facilities</li> <li>- Insufficient funding for youth and gender programmes</li> <li>- Need for cultural centers and social inclusion of PWDs</li> </ul>	<ul style="list-style-type: none"> <li>- Enhance investment in sports and creative economy infrastructure</li> <li>- Strengthen youth and gender empowerment programmes</li> <li>- Promote inclusive cultural and social development initiatives</li> </ul>
<b>ICT / Strategic Partnerships</b>	<ul style="list-style-type: none"> <li>- Inadequate ICT hubs and digital access</li> </ul>	<ul style="list-style-type: none"> <li>- Promote ICT infrastructure and digital inclusion</li> <li>- Strengthen strategic partnerships to support innovation and service delivery</li> </ul>
<b>Disaster Risk Management &amp; Governance</b>	<ul style="list-style-type: none"> <li>- Inadequate disaster preparedness and early warning systems</li> <li>- Flooding, drainage challenges and climate-related risks</li> <li>- Weak community oversight of projects</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen disaster risk reduction and preparedness systems</li> <li>- Enhance climate adaptation and flood mitigation measures</li> <li>- Promote community participation and accountability in project implementation</li> </ul>
<b>County Treasury &amp; Revenue</b>	<ul style="list-style-type: none"> <li>- Underestimation of own-source revenue</li> <li>- Double taxation and weak enforcement mechanisms</li> <li>- Concerns on revenue sustainability</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen revenue forecasting and administration systems</li> <li>- Enhance compliance and streamline revenue collection</li> <li>- Promote transparency and efficiency in public financial management</li> </ul>

The priorities identified during the public participation fora will inform the preparation and approval of the CFSP FY 2026/2027 and the MTEF. The County Treasury will align citizen/stakeholders inputs with sector ceilings and strategic objectives to ensure responsiveness to public needs while maintaining fiscal discipline.

### **Challenges Encountered**

- **Low awareness and limited access to online platforms**

Although the CFSP was uploaded on the County website, many participants were either unaware of the platform or lacked access to internet-enabled devices, reducing the effectiveness of online dissemination.

*Proposed mitigation:* Enhance public sensitization on county communication channels and adopt multiple dissemination approaches, including physical copies and use of local administration structures.

- **Language barrier**

The CFSP was prepared in English, which posed comprehension challenges for some members of the public, thereby limiting meaningful participation.  
*Proposed mitigation:* Develop simplified versions of the CFSP and translate key sections into Kiswahili to enhance accessibility and understanding.
- **Technical inability to understand fiscal policy documents among participants**

Some participants found the fiscal and technical content difficult to understand, particularly issues relating to budget ceilings, projections, and macroeconomic assumptions.  
*Proposed mitigation:* Prepare citizen-friendly briefs highlighting key priorities, fiscal directions, and implications in simplified language.
- **Time constraints during public forums**

Large turnouts in some sub-counties limited the time available for in-depth discussions and sector-specific engagement.  
*Proposed mitigation:* Allocate additional time for public fora or organize staggered sessions where necessary.
- **Misalignment of public expectations**

Some participants raised ward-specific and project-level issues that fall outside the strategic scope of the CFSP, indicating limited understanding of the document’s purpose.  
*Proposed mitigation:* Strengthen pre-forum sensitization on the scope of the CFSP and clarify linkages with other planning and budgeting instruments.

Despite these challenges, the exercise achieved meaningful engagement and valuable citizen input.

### **Conclusion and Way Forward**

The County Government of Busia reaffirms its commitment to participatory planning, transparency, and accountable public finance management. The views collected during the public participation exercise will guide fiscal decision-making and resource allocation for FY 2026/2027.

Going forward, the County Treasury will continue strengthening civic education and engagement mechanisms to enhance the quality of public participation.

## Public Participation Adverts



**COUNTY GOVERNMENT OF BUSIA**  
P.O. BOX PRIVATE BAG-50400  
BUSIA, KENYA  
**COUNTY TREASURY**



**PUBLIC PARTICIPATION ON COUNTY FISCAL STRATEGY PAPER  
FOR FINANCIAL YEAR 2026/2027 & MTEF**

Article 201 of the Constitution of Kenya 2010 envisages transparency, accountability and public participation on matters of public finance.

Further, section 117 of the Public Finance Management Act, 2012 requires that the County Treasury in preparing County Fiscal Strategy Paper-CFSP takes into consideration views of among others, the public and interested persons/groups.

In view of the above the County Government of Busia through the County Treasury would wish to notify and invite members of the public, professional groups, civil societies/organizations, private sector, faith based organizations and other interested stakeholders to a public participation forum scheduled to take place on **Wednesday 4<sup>th</sup> February, 2026** in all the Eight(8) Sub- Counties at the Venues listed below

Written memoranda may be sent to [finance@busiacounty.go.ke](mailto:finance@busiacounty.go.ke), or delivered to County Treasury- Budget Directorate, Sub-County and Ward Administrators offices on or before **4<sup>th</sup> February, 2026**.

SUB-COUNTY	WARD	VENUE	Time
Butula	Marachi North	Butula Family Life Centre	9AM-5PM
Samia	Agenga/Nanguba	Ageng'a Nutrition Centre	9AM-5PM
Bunyala	Bunyala West	Port Victoria Town Hall	9AM-5PM
Matayos	Matayos South	Matayos VTC	9AM-5PM
Nambale	Nambale Township	DCC Ground	9AM-5PM
Teso South	Chakol South	PAG Church - Otimong	9AM-5PM
Teso Central	Amukura Central	Kong'urapus Catholic Church	9AM-5PM
Teso North	Angurai South	Kakapel Cultural Centre	9AM-5PM

**HON. ANDREW NAKITARI**  
COUNTY EXECUTIVE COMMITTEE MEMBER  
COUNTY TREASURY AND ECONOMIC PLANNING



**PUBLIC PARTICIPATION ON COUNTY FISCAL STRATEGY PAPER FOR FINANCIAL YEAR 2026/2027 & MTEF**

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COUNTY EXECUTIVE COMMITTEE MEMBER  
COUNTY TREASURY AND ECONOMIC PLANNING